ROCKEFELLER

GIANT · DWARF · SYMBOL

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ROCKEFELLER

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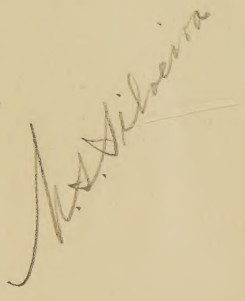

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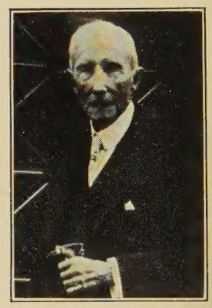

ROCKEFELLER FACES

as painted by Sargent when seeing "another St. Francis of Assisi" and as photographed by Brown Brothers, ©

ROCKEFELLER
GIANT·DWARF·SYMBOL

1839-1937

BY

William·H·Allen

DIRECTOR, INSTITUTE FOR PUBLIC SERVICE; AUTHOR OF
UNIVERSAL TRAINING FOR CITIZENSHIP,
WOMAN'S PART IN GOVERNMENT,
EFFICIENT DEMOCRACY, AL SMITH'S TAMMANY HALL,
CIVICS AND HEALTH, SELF SURVEYS BY COLLEGES
AND UNIVERSITIES, ETC

1930
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ACKNOWLEDGMENT OF ROCKEFELLER AID

FROM June 10, 1927 to March 12, 1928 the manuscript of *Rockefeller: Giant, Dwarf and Symbol* was with Ivy Lee, the Rockefeller adviser on public relations, and W. O. Inglis, for ten years the official Rockefeller biographer.

For their critical review, with questions and information generously given by letter and in twenty-two hours of conference, and for information about Rockefeller's boyhood sent by his direction at the author's request, the author is deeply indebted.

Every question raised by them was reinvestigated, at times in distant states and by revisits to the localities of Rockefeller's boyhood.

Wherever agreement was not finally reached as to questions of fact the text shows for the controverted points both the author's statement and the Rockefeller advisers' challenge.

For Rockefeller giving, Mr. Lee expressed complete disagreement with the contention of this book that great interstate benevolent foundations are quasi-public utilities and as such should be required by public opinion, by law and by self-interest to report their refusing and clues of efficiency, as well as their giving's totals and recipients.

Notwithstanding the service thus gratefully acknowledged the statements of fact and the conclusions in this book are published wholly upon the

4317

author's responsibility without any endorsement or authorization either in whole or in part from any one representing Rockefeller or his family.

The manuscript was sent not for Rockefeller endorsement or authorization, but from a desire to exhaust every effort to be above-board, accurate, fair and considerate in preparing a book which at many points must confront Rockefeller propaganda with Rockefeller history, forgetfulness with memory and gratitude with understanding.

THE AUTHOR

* * *

I do not know of any way in the world by which we can arrive at the truth except by letting everybody speak out what he believes to be the truth within the limits of public morality.

REVEREND FREDERICK T. GATES

Rockefeller's chief mentor, almoner and iron partner on Rockefeller's dazzling gift of $32,000,000 to education in 1907

WHY WRITE OF ROCKEFELLER?

THE name Rockefeller has for half a century been among the world's best known names. The business Rockefeller has for half a century been the best known of all business enterprises in the world. The man Rockefeller—the John Davison of formal reference and the John D of popular parlance, the world's champion fortune builder, champion money giver and champion symbol—is at ninety one of the least known personalities of prominence in the world.

He and his foundations have given away over $700,000,000. The good his giving has done would fill volumes, as would the harm it has done.

He represents physical power for wholesale good and wholesale evil such as no other business man ever had.

He is the center of maxims and myths which are now part of economic and trade history.

Yet in the country's greatest libraries only four to six cards note him as subject, while of eighty-one history texts used in our schools seventy do not even mention him.

These silences mean fear of Rockefeller reprisal rather than lack of interest in his meanings.

Wherever in one lifetime colossal power, lofty eminence, world wide anathema and world wide adulation are collected by one man, that man's career if understood is supremely interesting.

The year when the Rockefeller lion, after posing as a lamb for twenty years, removed the most successful of recent Rockefeller oil leaders, Robert W. Stewart, from the largest of Rockefeller oil companies, Standard of Indiana, is a suitable time to issue this history and personality portrait.

Once again the fabled power of the oil king has lifted its head and struck the oil field—and struck at the very business ethics that built the Rockefeller fortune.

Once again a Rockefeller feud has held the breathless attention of Rockefeller contemporaries and, true to form, Rockefeller has won.

Once again a business giant has been ousted by decree of Rockefeller who while speaking for but one-third the voters cast two-thirds the money votes.

Once again as if by echo from a past we thought was dead the whole business world has been regalvanized into subconscious fear, when not into panicky terror, at the very thought of antagonizing the giant power of Rockefeller's fortune. Tens of millions who never knew that power while it was being brewed now join old timers in saying: "Rockefeller's voice may not be the voice of God, but nevertheless it speaks the final word, for whoever opposes Rockefeller has lost before the battle starts."

For two decades the business world had been forgetting that it was Rockefeller rather than his oil company whom it dreaded from 1871 to 1911, as our remote ancestors dreaded lightning, thunder and other manifestations of natural forces not yet understood, much less harnessed.

The avalanche of money votes, 5,599,723 to 2,945,396 against Chairman Stewart, whom Rockefeller opposed and whom two out of three, or 31,337 to 15,204 individual voters favored, reinstates Rockefeller, particularly in the minds of veterans, as the business dreadnaught whose smile was fortune and whose frown was destruction for many turbulent decades.

In a career that knew no calm but the unstable equilibrium of a colossus about to battle or the exhaustion of boa constrictor satiety, not the least dramatic is this triumph of John D. Rockefeller when ninety and his canonization as the apostle of business ethics by one hundred million fellow citizens.

It is true that it was Rockefeller's son rather than Rockefeller who received the gold medal of the National Institute of Social Science "in recognition of his distinguished social service in exemplifying and promoting high standards of business ethics," but the mesmerizing power was Rockefeller's.

Surviving old timers who lived the epoch which *Rockefeller*

—*Giant, Dwarf and Symbol* depicts say they must pinch themselves to believe what their eyes are beholding—not the outcome of the Rockefeller-Stewart feud, since for nearly sixty years they had always expected "John D." to win, but the new Rockefeller rôle of pitiless publicity's spokesman demanding that the public must be served and the innermost affairs of big business bared to public scrutiny.

For over two generations they have seen might in Rockefeller's hands become right in Rockefeller's mind. Only in previous instances the blow fell without notice, whereas this 1929 Rockefeller blow used modern methods of accelerating and molding public opinion. So expertly was this done that even Rockefeller victims hesitate to strike a discordant note by recalling how Rockefeller power, again true to form, made a virtue of necessity by turning imminent public censure into public praise.

Not a word did Rockefeller or his foundations utter during the many years when their country needed help to unravel the wrong of stolen oil wells and when two of their dividend-architects skipped their country's jurisdiction and avoided senate questions about oil plunder and oil politics.

His son issued a publicity statement in March 1925 stating that he had written personally to an unnamed officer (Colonel Stewart), but three years later (February 11, 1928) testified that he had not communicated with directors or other stockholders or taken one step to secure the information he said the public was entitled to.

Not a whisper came from Rockefeller, his son or his foundations so long as there was the proverbial "Chinaman's chance" for Rockefeller oil managers to escape exposure by the senate investigating committee.

Not until Chairman Stewart was cornered by a trail leading to his safety deposit vault, not until Rockefeller must either capitalize for himself or else share the culpability of Mr. Stewart did Rockefeller by his son and a publicity agent make his 1929 fight for "high standards of business ethics."

How naturally this modern instance fits into five decades of Rockefeller history *Rockefeller—Giant, Dwarf and Symbol* shows.

The terror inspired by the possibility of his fortune's displeasure is more widespread in 1929 than when his terrorizing

tactics were at their zenith. Informants whisper personal experiences only on solemn pledge that their identities shall not be disclosed. Large borrowers from banks freely voice fear of Rockefeller reprisal. A financially strong printer decided that he would incur hidden financial attack by printing this book. Five world-famous publishers said of the title: "We don't want to wake up some morning and find that we haven't any bank. . . . We don't want any book that criticizes or causes others to criticize John D. Rockefeller. . . . We could not afford to put out a book on Mr. Rockefeller that he did not approve. . . . Our financial adviser urges us not to consider such a book. . . . We're not strong enough yet."

For both individuals and nations truth and force as personified by Rockefeller are more potent than abstract lessons in democracy's needs, triumphs and dangers. His life mirrors the potentialities and problems of our time as does no other one life, not because he has untold wealth for his son has that, not because he gave it away for his son is doing that, but because, while superman in neither vision nor talent, he has had adventure, narrow escape, censure, praise, dual personality and tragedy such as fate has vouchsafed to but a few since man made history.

He is a landmark and epitome, a symbol of American strength and weakness, struggle and achievement, danger and benevolence.

He is the father of trusts, the world's foremost pioneer centralizer of business machinery and power, the vaulting apostle and exemplar of business efficiency, the demonstrator-in-chief of coöperation's superiority over competition,—always for cooperators and frequently for consumers.

He is competition's reminder that it can be the death of traders as well as the life of trade.

He has publicity agents of superb talent to explain him, get him publicly praised and shield him from criticism by lure or by threat. In the lingo of professional advertising, the way he has been "sold" to the world by high powered donations and publicity holds the world record for "overcoming sales resistance."

Rockefeller—Giant, Dwarf and Symbol tells the story of this exceptional career and its boyhood background. Like Rockefeller's own bookkeeping, that story is double entry. It

gives high spots and low spots, debits and credits, tolerance and intimidation, giant and dwarf, success and failure, symbol of service and symbol of menace.

It tells of a rule or ruin policy that in his forties destroyed competition and in his nineties invoked legal technicalities, secret emissaries, and influence upon public officials to prevent educational use of the birthplace which he had neglected except for an annual publicity harvest.

It uncovers a boyhood tragedy to find in it new hope for mothers, teachers and society. It recalls the indictment of Rockefeller by a Pennsylvania grand jury for criminal conspiracy against trade and his avoiding trial by making promises which the United States Supreme Court in 1911 said he had not kept.

It presents Rockefeller's mother as a romantic sufferer, to whom Rockefeller owes his great qualities rather than to the father upon whom he lavishes credit.

Its list of Rockefeller myths includes the common belief that he was a superman in greed, cold bloodedness, vision, knowledge of business details and philanthropic efficiency. Bringing myths up to date it includes the blazoned claim of October 30, 1929,—after Rockefeller published confidence in the soundness of the country's business despite the psychological panic in the stock market—that he had similarly come to the rescue in the real panic of 1907.

Of Rockefeller the personality the book teems with lights and shadows never before brought together in a Rockefeller picture. It finds him a victim of homespun virtue, a lone wolf because of early repressions, not because indifferent to his fellowman's esteem.

The censure heaped upon him as a fortune builder is attributed not to his extreme success nor even to his ruthlessness, but partly to his being a lone wolf and chiefly to his denying evidence,—as if Jefferson Davis after the Civil War had denied having been president of the seceding states.

For both credits and debits to the business methods used by Rockefeller in acquiring his lead over other fortune builders the chief witnesses cited are himself, the United States Supreme Court and leading economists at universities helped by him.

Of Rockefeller the champion giver the book asks what is

known about the efficiency of that giving; answers that too little is known; gives evidence of inefficiency, menace and miracle of achievement; and suggests an interstate gifts commission which would render respecting Rockefeller and like benevolences a service of investigation and publicity similar to that which the interstate commerce and trade commissions were created to do for Rockefeller business and its emulators.

It is published while Rockefeller is still living and reminiscing for his own official biographer, with the reminder that verifiable facts about him and his period are increasingly difficult to find. His agents, upon his reference, furnished many facts for it, held it for review nine months, criticized it by brief and by conferences totaling twenty-two hours, but have no responsibility for any part of it.

It is not yet too late for him to testify by act, if not by word, that in retiring from the stream of life when only fifty-six he needlessly and prodigally sacrificed opportunities for personal growth, personal satisfaction and public service.

Nor is it too late for him to supplement his money gifts with gifts of information about his career and gifts of attention to his foundations' efficiency—as in dealing with "America's greatest disaster," the Mississippi's devastating flood of 1927—that might easily surpass his money gifts in benefactions to posterity.

There was a way of using the searchlights of Rockefeller foundations to prevent the World War, or, once the war started, to reduce the wholesale exploitation of the many by the few for more huge fortunes and to set a world educating itself against future war.

There have been ways of using Rockefeller eminence to lead industry, more especially big business, in training employers and workers to far higher standards of participation in government.

To think straight and talk straight about Rockefeller's princely giving is to influence that giving and thus in fact to become a partner in it, perhaps indeed to feel no small share of the thrill that goes with giving millions at a time for humanity's greater happiness.

WILLIAM H. ALLEN

Institute for Public Service
New York, November, 1929

CONTENTS

PART ONE

America's Most Discussed Career

1. Wonder and Wonder Worker 3
2. Rockefeller's Debit and Credit Life 5
3. Rich Beyond the Dreams of Crœsus 8
4. Rockefeller in School Histories 12
5. "I Carry My Clay with Me" 15
6. Neighbors Speak 18
7. Official Biography in the Making 21
8. Lloyd and Tarbell—Nemeses 24
9. Judicial Photographers 31
10. Rockefeller on Rockefeller 34
11. Vistas from Ninety 37

*

PART TWO

Boyhood Influences

12. A Country Boyhood 57
13. His Boyhood Tragedy 77

14. What He Owes His Mother 89
15. His Limited Education 100

*

PART THREE

The Champion Fortune Builder

16. Rockefeller's Business Ladder 113
17. The First Job 118
18. His Biggest Business Thrill 124
19. A Soliloquy in 1872 133
20. Indicted for Criminal Conspiracy 138
21. Ineptly Questioned 142
22. A Prize Witness for Himself 145
23. Records Not Demanded 150
24. Outwitting Germany 153
25. "Balance Forward 1929" 155
26. Annexing an Iron Fortune 163
27. The Easy Art of Getting 171
28. The Concentrator 178
29. Bookkeeping for Vision 181
30. Efficiency in Business 190
31. His Self-Appraisal 196
32. A Dreadful Background 204
33. A La Railroads in the '70's 208
34. He Utilized the Background 212

*

PART FOUR

The Personality

35. His Personality 221
36. Why a Lone Wolf 237
37. As Nature Probably Made Him 247
38. Early Self-Analysis 251
39. Associates and Friends 254
40. Other Contemporaries 262
41. Carnegie, Frick, Gary 270
42. As World Student 277
43. As Taxpayer 278
44. Rockefeller Humor 286
45. His Reputation's Fade-Away 295
46. Self-Starting Publicity 298
47. Typical Birthday Publicity 302
48. Efficient Press Agenting 310
49. Aim of Rockefeller Publicity 318
50. Rockefeller Myths 321

*

PART FIVE

The Champion Money Giver

51. If Your Vision Were Money 331
52. The 1929 Merger 339
53. Rockefeller Rivals in Giving 342
54. "A Niagara of Benevolence" 348
55. Economic Penetration of Churches 351

56. "Flood Relief" for Colleges 357
57. Publicity for Educational Giving 364
58. "Particularly for Southern Education" 371
59. Alternatives for Agriculture 377
60. Gifts for Medical Schools Questioned 382
61. Small Gifts for Research 384
62. The Proof of the Pudding 389
63. The Myth of Thorough Studies 394
64. Gifts for Public Education 400
65. Teacher Training Neglected 408
66. A Money-Covered Retreat 419
67. Conditional Gifts 422
68. A Secret Condition 424
69. Unimaginative Trusteeing 434
70. Underpaying Students, Underpaid Faculties 441
71. The Gift Congress Refused 445
72. War-Time Giving Exaggerated 452
73. Benevolent Bargaining 454
74. Labor Sources of Its Income 460
75. Abandoned Memorial Fund 464
76. Rockefeller Indian Giving 467
77. Without Honor in His Own Country 474
78. Why Rockefeller Gave 477

*

PART SIX

The Champion Symbol

79. What Rockefeller Symbolizes 483
80. Wealth's Magnet Power 488

81. Advantages and Dangers of Big Business 496
82. Dangers of Foundation Giving 502
83. The Menace to Democracy 515
84. An Interstate Gifts Commission 518
85. A Conservative Program 524
86. History's Incompleteness 528
87. Society's Evolution 532
88. Evolution Backwards 539
89. Man's Greatest Coöperation 542

*

PART SEVEN

Bypaths and Sidelights

1. Composite of 32 History Texts on Rockefeller 549
2. What Rockefeller Means to Young America 554
3. Minor Portraits 557
4. 1872 Press Comment 563
5. Questions Posterity Will Ask 568
6. Rockefeller's Forgettery vs. Inept Questioning 570
7. What Bankers Teach About Rockefeller 575
8. Rockefeller's Defensive Tactics 577
9. Explaining His Enemies 580
10. The Case of Mrs. Backus 585
11. 1,000 Editorials of 1907 588
12. 18 Opportunities Lost for Describing College Salaries 597
13. "College and University Finance" 600

14. More Careful Accounting Needed 604
15. Rockefeller Foundation Stewardship 605
16. 25 Typical Questions About Rockefeller 609

The Index is topically arranged and includes Part VII, which is called By-paths and Sidelights rather than Appendix to suggest that it is for general readers as well as researchers.

ILLUSTRATIONS

Six Rockefeller faces	*Frontispiece*
	Facing page
Rockefeller's birthplace	104
Pocantico Hills, his chief home	104
Six basic ingredients of his oil fortune	200
World need for illuminants and lubricants	
Colonel Drake and the first oil well	
Vision—Henry M. Flagler	
Capital—S. V. Harkness	
Organizer—Rockefeller	
Railroad favors	
His second boyhood home, near Moravia, N. Y.	344
His third boyhood home, near Owego, N. Y.	344
His underassessed mansion in New York	424
His foundation architect, F. T. Gates	584
Rockefeller cousins picnicking	584

PART ONE

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1. Wonder and Wonder Worker

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4. Rockefeller in School Histories

5. "I Carry My Clay With Me"

6. Neighbors Speak

7. Official Biography in the Making

8. Lloyd and Tarbell — Nemeses

9. Judicial Photographers

10. Rockefeller on Rockefeller

11. Vistas from Ninety

CHAPTER 1

WONDER AND WONDER WORKER

LIKE other great works of nature and of art, Rockefeller should be observed and possessed for his power to give durable satisfaction by virtue of what he means to the soul of his fellow-man.

To be not only the richest of nearly two billion living human beings, but the richest human being of all time, is quite as phenomenal as to be the Mammoth Cave, the Great Canyon or the new star Betelguese.

Nearly every locality, even prairie country, has its nearest Eagle Rock, Hog's Back or Indian Head. Tourists travel days to climb Mt. Washington in New Hampshire or Pike's Peak in Colorado, partly for the beautiful view of the one and the grandeur of the other, but chiefly because each is king in its own region. For similar reasons man wants to know about the swiftest runner, the highest jumper, the greatest baseball batter and the richest man. The flight from Rockefeller's boyhood obscurity to his manhood, fame and power taxes the imagination more than Lindbergh's air flight from New York to Paris.

Time and tide have awed man from his primitive days to his over-civilized days. Knowing about time and tide increases their mystery and enhances their fascination. Tornadoes and cloud bursts owe some of their interest to their violence but most of it to their rareness and their phenomenal character. Thus far, Rockefeller is tide, cloudburst, tornado and highest peak in the realm of human initiative seeking wealth and giving it away.

Niagara Falls and its rivals in South America, Africa and Canada stir human emotion and imagination, but less than the torrents of income flowing inexorably and uninterruptedly like fate into Rockefeller pockets and out of his benevolent foundations' smaller pockets.

Rockefeller is a natural result, an expression of natural law, a natural phenomenon, a product of mankind's motion just as earth's tides are products of the moon's motion. There is more interest, more food for thought in the Rockefeller story than in a dozen museums. In bigness, rareness, power, he has few equals among the natural wonders that the world loves to read about and visit. He is affinity for gold personified, he is coincidence with human motives, he is the law of gravitation in one man's record.

For every human being who at present thrills at the thought of the hanging gardens of Babylon or the rest of the seven classic wonders of the world, there are thousands who think frequently of Rockefeller and millions who are daily affected by the statues, temples, long-stride bridges, hanging gardens, light houses, mausoleums and protections created by business methods credited to Rockefeller.

For his success in passing his fellow-men in mankind's chief race, Rockefeller is of universal human interest. It may be that Henry Ford will soon seize the acquisition cup from Rockefeller and that Rockefeller must soon join the gallery of ex-champions like John L. Sullivan, Christie Mathewson and Wilhelm II of Germany. Thus far, however, he represents the last word and the last imagining of civilized man in quest of riches.

Rockefeller a Spire

THE tallest building like the tallest hill is of special interest to every locality. Much of religion's hold in rural and semi-urban localities is due to the emotions caused by church steeples. If churches had not been the first to rise on the

skyline and the last to disappear from vision, they would have had vastly less influence. For similar reasons the spires of Rockefeller's wealth, his power and his gifts are influencing mankind.

Our time recognizes Rembrandt by buying his portraits at fabulous prices. Every decade adds to his values or at least to his prices. In like manner, succeeding decades will add to man's interest in the works of which Rockefeller is the chief symbol. As man outgrows interest in ephemeral personality he will want more facts about the conditions which produced such an historic figure, sign post, monument and symbol as John D. Rockefeller.

This would be true even if Rockefeller's fortune were given back to society for redistribution through industry. It is true in a peculiar degree because several hundred million dollars of that fortune is entailed for benevolent purposes and destined perpetually, unless society intervenes, to exert Rockefeller influence, recall Rockefeller origins and glorify Rockefeller's name.

CHAPTER 2

ROCKEFELLER'S DEBIT AND CREDIT LIFE

LIKE all other important achievements of man and nature, the world's greatest fortune builder and the world's greatest money giver has more than one side. Like great paintings, Rockefeller has his lights and shadows. Like great music, he has tones and overtones, high and low notes. Like great business, his life record is written double entry, with debits and credits rivaling one another.

Giant is a fit name for a character of Rockefeller's national and international reputation in business, religion, education and philanthropy. Measured by other men of his time and of other times known to man, measured in other

words by man's severest tests of worldly achievement, Rockefeller is unquestionably a giant.

Dwarf is also a fit name for Rockefeller, in spite of his giant stature as fortune builder and money giver. In how many ways he is dwarf as well as giant this story will unfold.

For ages to come the name of Rockefeller will be used throughout the world as the symbol of giant fortune, giant efficiency in organization, giant proficiency in business procedure, giant philanthropy and giant giving for religion and education.

Less known is the lilliputian Rockefeller, his dwarfed development of personal qualities which modern education strives to produce and strengthen—sociability, taste in literature, taste in art, love of fair play, coöperation in the thought life and impulses of his time.

For the same reason that in his own bookkeeping from poor boy to richest man Rockefeller kept debit and credit sides distinct from one another, it is interesting and expedient for society to keep a double entry memory of Rockefeller's services and characteristics. In his own accounts of his finances a very faint picture of the truth would have been given if he had put down only his balances or the differences between his expenditures and receipts. Similarly, the world can gain but a faint idea of the real Rockefeller by looking only at the giant and refusing to look at the dwarf, by looking only at the dwarf and refusing to look at the giant, or by attempting to find a balance without first looking separately at both giant and dwarf.

Rockefellerism, Social Problem

If Rockefeller could carry all his wealth with him his story would still be of tremendous interest for the light it throws upon social problems that persist apart from, in spite of and because of him. Since, however, he leaves his fortune be-

hind—part of it as a family nest-egg of hundreds of millions, perhaps billions, and other hundreds of millions organized in foundations for demanding fealty from a civilized world and prying billions of dollars from the pockets of taxpayers and philanthropists—Rockefellerism will continue to be a social problem. The public's attitude toward this problem, its willingness or unwillingness to follow Rockefeller leadership—and its determination to be discriminating or undiscriminating in praise and criticism of it—depends upon whether it understands or mispictures the builder of the Rockefeller fortune and his foundations for giving away money.

Rockefeller says of himself and his partners in the oil business that they tried not to deceive themselves about business prospects and results; they did their best to know what actual conditions were. In his advice to young business men, he stresses the importance of knowing the road they are to travel and of never deceiving themselves about their progress. The same advice is sound for tens of millions of people who both consciously and unconsciously are influenced in their own daily thinking and acting by their conception of the methods used and the routes pursued by the world's giant money giver and fortune builder.

As a giant, Rockefeller is interesting and at many points a model which can profitably be followed. As a dwarf, he is interesting and a model to be avoided. As a symbol he is interesting and throws light upon the intricate problems of business, education, and government which the world's best minds are trying to solve.

As reflector of the era he epitomizes, Rockefeller serves at one and the same time as both giant and dwarf. In following his career from farm boy to history's gold-richest man and greatest money giver, we shall see giant and dwarf ideals, giant and dwarf realization, giant and dwarf theories of social responsibility.

CHAPTER 3

RICH BEYOND THE DREAMS OF CRŒSUS

NO one but his own bookkeepers and advisers—and probably no single one of them—knows how big the Rockefeller fortune is. Probably no one else but Rockefeller's son will ever know, because Rockefeller has parted with great shares of his wealth to his children. No law compels him or them to confess the size of their fortunes to the rest of the world. His last will and testament will not solve the riddle because it will not specify fortunes transferred during his lifetime.

Rockefeller's fortune is partly in lands and buildings, partly in shares of railroads, oil companies and other business, partly in tax-exempt bonds. Rockefeller's reputation for thrift makes it seem improbable that very large sums are hidden away in stockings, china bowls and bed ticks, under loose bricks in the hearth or in safety deposit vaults drawing no interest.

That Rockefeller's two daughters and his only son are very rich is known, but no one knows how rich. They must, it is true, report their total incomes to the federal government each year, but neither they nor their father need tell of wealth that as yet produces no income. Other wealth that while increasing in value still yields low income, and stock dividends which are not counted as income do not swell their income statements. Nor is the public told what income they receive from tax-exempt bonds of states, counties, cities, and other governmental districts, from various federal bonds that are not taxable or from investments which deduct taxes before paying dividends.

The total Rockefeller income shrinks further to the out-

sider's gaze because of numerous other deductions which skilled accountants know how to make legally.

Therefore attempts to reconstruct the Rockefeller fortune from published income taxes all yield a total altogether too low.

If Rockefeller were only a billionaire his income would be so great that after giving away a dollar bill on fifteen corners every half minute, ten hours a day every day in the year, he would have more money than he started with. Had $500 a day been credited to Adam in the Garden of Eden and every day these 6,000 years his bank account to-day would be less than Rockefeller's. It would pay 20,000,000 admissions a day for a whole year to the country's motion pictures. It is $2 a minute from Christ's birth.

If only a billion were put in a savings bank to-day at only 4% compound interest it would be $75,000,000,000 in another lifetime as long as his. If every one of eight hundred Rockefeller relatives in this country were to spend $50,000 a year they would not catch up with his income.

That the fortune Rockefeller made exceeds a billion dollars has been believed by best-informed Americans for twenty years. That it now exceeds two billion dollars is believed by many financiers, is consistently implied by Rockefeller's chief editorial booster, Arthur Brisbane of the Hearst newspapers, and is categorically asserted in Klein's *Dynastic America and Who Owns It.*

In 1921, B. C. Forbes, a Hearst newspaper economist, gave reasons for claiming that Rockefeller was not then a billionaire, that the Rockefeller fortune fluctuated between $500,000,000 and $700,000,000 and that "at this moment the lower figure would probably be nearer correct." Since this estimate excluded those parts of the Rockefeller fortune then held by Rockefeller's foundations and his children, and since it quoted as authoritative a widely-published claim by Rockefeller's chief spokesman, Rev. Frederick T. Gates,

that Rockefeller's fortune—before giving nearly $300,000,000 to foundations—"could not exceed $250,000,000, or $300,000,000," the expert witness must be considered not quite expert enough.

However uncertain we are about the fortune Rockefeller kept, we know he and his foundations have by 1929 given away over $600,000,000. How much is that? To most of us it would be just as easy to picture six hundred trillion dollars or six hundred million fairies. Some of the things that could be done with the fortune or fortunes Rockefeller has given away from family ownership, although half of it is still practically under his son's moral control through his chairmanship of two foundation finance committees, may be playfully imagined by people who like puzzles.

Had one of the Pilgrim Fathers taken a position on Plymouth Rock in 1620 giving away dollar bills every minute; and had Pilgrims worked in relays every hour of every day from 1620 until Rockefeller's birthday in 1929, nearly three-fourths of Rockefeller's gift fortune would remain to be given away.

Had five of Rockefeller's ancestors started giving away dollar bills when the Liberty Bell started ringing out our country's independence July 4, 1776, and kept relays at work every minute day and night up to Rockefeller's birthday in 1929 there would remain nearly one-third the Rockefeller gift fortune, to say nothing of accumulated interest.

If ten dollar bills for the fortune Rockefeller has given away were laid end to end they would reach around the earth nearly three times without taking a cent of interest all the years since he parted with it. With part of the interest the line of bills would reach to the moon.

The interest alone on $600,000,000 at five per cent a year exceeds the yearly earnings of 15,000 American laborers at $2,000 each.

A Rockefeller Curse

If no descendant of Rockefeller ever does a day's work for a living or for profit Rockefeller riches will pile up and pile up and pile up and leave Rockefeller heirs forever among the world's richest men and women, exempt from need to labor. They cannot be blindfolded to this truth by the parental playfulness that calls it "earning their way abroad" when Rockefeller's son on a de luxe tour of Europe assigns tour duties and pays three sons $5—$3 and $2 a week for paying bills, getting rooms and attending to baggage.

Three catastrophes might impoverish future Rockefellers: they might squander, mismanage or give away that part of their money inheritance which is left to their own control; an earthquake might destroy them with the civilization they share; revolutions or evolutionary laws and taxes might take most of the fortunes given and willed to them. None of these catastrophes is in sight except larger inheritance and transfer or gift taxes which only a few so-called radicals thus far consider democratic and which present and future Rockefellers must naturally consider bolshevistic and confiscatory. In fact, the present tendency is lower taxation of both earned income and windfall income through inheritance or gifts.

If Rockefeller leaves a family fortune of only one billion dollars, his family and foundations together will reap annual returns of between $40,000,000 and $80,000,000 a year to start with and an increasing sum each year because unless their habits greatly change they will not spend such a huge income on necessities and pleasures or even on philanthropies.

If on the other hand, the creator of the Rockefeller fortune leaves behind two billion dollars or more, then Rockefeller heirs, including his foundations, will start with an

annual income of from $80,000,000 to $160,000,000 with a certainty of annual increases from profit and interest.

No other family ever had such wealth. Crœsus, king of Lydia in Asia Minor, who died in 546 B.C. so rich that all these centuries men have said "rich as Crœsus" to describe fabulous wealth, was a poor man compared with Rockefeller.

What do such riches mean? Two meanings are clear. They mean vastly more to economics and government than Rockefeller's fellow citizens are trained to understand and they also mean far more power over organized society than the same amount of money means in the hands of ten or ten thousand times as many people as there are heads of Rockefeller families. Twenty thousand skilled laborers earn more than the minimum estimate of $40,000,000 a year as Rockefeller's income. In New York City alone public school teachers earn over $100,000,000 a year. Yet their physical power over industry, banking, education and publicity is insignificant compared with Rockefeller's power because his is mostly in one control and can be shifted quickly just as one or two minds decide.

CHAPTER 4

ROCKEFELLER IN SCHOOL HISTORIES

WHAT any nation admires, fears and values depends largely, though by no means entirely, upon the history texts used in its schools. National judgments and ideals are affected not so much by the judgments of historians as by the facts which historians cite for comparing contemporary persons and acts with their background of social conditions and ideals. Thus what history teaches through schools and encyclopedias about the economic struggle from which Rockefeller emerged the world's richest man is

more important than what posterity knows about Rockefeller wrenched from his setting.

Since Rockefeller became the center of the bitterest controversy over the relations of industry to government which our country has known, two generations of Americans have studied history in schools and colleges or have met it in newspapers and magazines. In numbers this means no fewer than sixty million of our present citizenry have studied in school whatever the schools offered about the relation of industry to government and of capital to labor. Over five million young men and women have been exposed to American history in our colleges and professional schools, including teacher training schools. Year in and year out, an average of at least thirty million of us have gotten from the newspapers and common talk impressions of Rockefellerism quite as definite as the nitrogen which we now propose to get from the air at Muscle Shoals.

What is it that American historians have been teaching Young America respecting Rockefeller and the business methods of which his fortune is the most striking monument?

To answer this question all American history textbooks in the Congressional Library bearing a publication date of 1900 or later were examined. In March 1926 there were 81, of which 70 do not mention Rockefeller; 62 do not mention his oil company; 60 do not mention either Rockefeller or his oil company; 49 do not discuss industrial trusts at all; and 76 do not mention petroleum or its effect upon our national history. Stated positively, 11 of 81 national history texts thought Rockefeller important enough for one or a few facts; 19 included references to his oil business and oil trust, ranging from a bare mention to a comprehensive summary; 13 mentioned or discussed trusts; and 5 considered petroleum worth mentioning.

The actual attention to Rockefeller and his industrial

setting is greatly exaggerated by the number of history texts here credited with some treatment of them. As a matter of fact the majority of the few references contained in 32 histories are so casual and brief as to be of little if any value: two lines on trusts, half a line on Rockefeller's trusts, or a passing reference to Rockefeller gifts add nothing whatever to Young America's comprehension of those forces which Rockefeller headed and epitomizes.

The most widely used texts and, with but one or two exceptions, those whose authors have the widest circulation and the most enviable reputation are entirely or practically silent.

The Composite Story

If each of the 81 histories had all which is in the 32 texts that tell something about Rockefeller, his oil company, trusts and petroleum, the composite history would still be seriously incomplete, but would give Young America the directly quoted tremendous story in VII-1—now and then conflicting with itself and the strict truth—with which to help interpret current and future problems of capital and labor.

Historians who omitted any reference to Rockefeller and his business methods would give various explanations. There may have been a hundred motives and causes, including some they would not themselves mention. For example, history writers may not have known the facts; may have copied old text-books that antedated the period of Rockefeller; may have believed military and political battles more important; may have believed that young people could not or should not understand such history; may have been afraid of starting reprisals or of having their books outlawed from school use because "controversial"; may have been connected with institutions which coveted Rockefeller favor. Perhaps they sincerely believed that no possible good could come from disclosing unhappy facts about the mid-

Victorian origins of great corporations which are to-day partly owned by millions of citizens of small means and which are believed to be not only complying strictly with the law but often leading small business in adherence to ethical principles.

Society's Loss

ARE you not interested in the fact that the overwhelming majority of young Americans attending school are told not one word about so striking a personality and so important a series of events as those which come under the name of Rockefeller? Whether young people would read about Rockefeller if permitted and would profitably use knowledge about Rockefeller and his rebates, salesmanship, generalship and benevolence is at least an interesting subject to ponder.

No nation can have such foggy notions of its Rockefeller as college seniors and juniors show on VII-1 and still be prepared in its thinking and acting to protect itself with respect to economic and governmental problems.

CHAPTER 5

"I CARRY MY CLAY WITH ME"

ROCKEFELLER wanted to pose for the sculptor Joe Davidson out on the golf links instead of indoors. The sculptor was afraid he couldn't carry his clay with him. Rockefeller's eyes twinkled as he sighed, "I have to carry my clay with me."

That is exactly what Rockefeller has done for fifty years, he has carried with him—in his memory, and his files, and his power to suppress research and publicity—the clay needed for a truth-telling portrait, bust, biography or personality sketch of the world's champion fortune builder.

Although for two generations a shining mark for fugitive

praise and fugitive criticism, Rockefeller has thus far escaped formal biographers. If only for his gifts to colleges, or for higher education's interest in problems upon which to train scientific researchers, it is astonishing that Rockefell at fourscore and ten has never yet sat for a full length portrait of his life and personality. Away from his background of work, Sargent the portrait painter found him a St. Francis of Assisi. Signs are not wanting that biographers of his family's selection will similarly underread his personality and life story and confuse his eschewing pleasures he never wanted with the great Franciscan's giving up what he had liked tremendously.

The leading libraries of the country index four to six books about Rockefeller, all of them fragmentary, most of them mere snapshots. Oil City, Pennsylvania, and Duluth, Minnesota, in spite of local benefits and tragedies associated with him, do not even index his name, and their children are taught as little as the children of Baku respecting his part in their destinies.

Although no episode in Duluth's history has attracted as much attention as the Merritt-Rockefeller suit over iron mines which the Merritts claimed Rockefeller had taken away from them, excepting possibly Proctor Knott's satirical speech on Doo-Looth, the Duluth papers printed practically nothing about that trial and did not mention editorially even the complete retracting by the Merritts. There is no indication in Duluth to-day that its chamber of commerce ever took notice of this controversy. The local bar association has nothing about it. The only book in the Duluth library that mentions either Rockefeller or the Merritts is the story of Duluth's county.

The Western Reserve Historical Library at Cleveland, Rockefeller's home city, lists only five publications—two of them pamphlets, one a souvenir, one an effusion and the

fifth by Rockefeller himself—not even the books by Lloyd and Tarbell to be mentioned shortly.

If Rockefeller has in mind a swan song, he is finding few reminders in other biographies of Rockefeller the man. He must go to undying records of his lifework in the practices of world trade, world coöperation in fighting disease and those upheavals of his countrymen which investigated and reinvestigated his work, enacted interstate commerce laws, established the interstate commerce commission, tried a bureau of corporations, brought his business methods to our supreme tribunal, dissolved his oil trust, and later recognized, so far as railroads are concerned, a need for that coöperation on a vast scale which Rockefeller typifies.

Biography or no biography, so much of Rockefeller's life story is told in the gratitude of church societies and colleges partially freed from financial anxiety, and of countries almost entirely free from hook worm, yellow fever and malaria, that he bids fair to reverse the Shakespearean adage that posterity remembers the evil that men do but inters the good with their bones.

The Rockefeller biographers indexed by the congressional, New York and Cleveland public libraries are: Rockefeller himself in *Random Reminiscences of Men and Events,* 1909; Marcus Monroe Brown, a carpetbag Cleveland realtor, in *Rockefeller in Education and Religion,* 1905, a panegyric; Ida M. Tarbell in *The History of Standard Oil,* 1904 and 1925; Mrs. S. K. Bolton in *Famous Givers,* 1896, an apostrophe to his personal qualities; and Henry Demarest Lloyd in *Wealth vs. Commonwealth,* 1894, precursor of such biography as *The Divine Lady* and *Glorious Apollo* of recent years, a Rockefeller motion picture with no mention of his name. To these extensive treatises should be added a half dozen magazine articles and thumbnail sketches in biographical collections (VII-3), most of which, however, including Ida Tarbell's searing portrait in

the July 1905 *McClure's,* are rather panegyrics or anathemas than biographies. Besides, there are numerous discussions of Rockefeller's oil trust which are largely stories of Rockefeller. Notable among these is the laudatory *Rise and Progress of the Standard Oil Company,* 1903, by Gilbert Holland Montague.

Finally there is a distinguished company of official biographers, including Chief Justice White and Charles E. Hughes of the United States Supreme Court in 1911; George W. Wickersham, the prosecuting attorney; the Supreme Court of Ohio in 1892; A. Barton Hepburn, chairman of the New York legislative investigating committee of 1879; and lawyers of aciditous pens like Frank P. Walsh of the federal industrial relations commission of 1915 and Benjamin F. Butler when congressman in 1880. The latest biographers are the five distinguished economists who in 1925 joined with Professor G. W. Stocking in sponsoring the summary biography of Rockefeller the fortune-builder, mentioned on page 160, and the Beards in *The Rise of American Civilization,* 1927.

CHAPTER 6

NEIGHBORS SPEAK

TO Rockefeller's face over four hundred Cleveland neighbors said what is perpetuated in the Cleveland library as an autographed souvenir of their visit to him in 1905:

"It is doubtful if the world has ever produced a greater man than yourself in the knowledge of the laws of trade, in grasping and applying them in the creating and building up of industries that are far reaching.

"The commercial machinery which you have done so much in creating has probably never in the world's history been excelled.

"We are not here to commend any means, if such have been adopted, as have been wrong or unjust.

"Your simple, temperate method of living will always shine forth as a grand example."

This neighbors' testimonial was ointment in a crisis. It followed upon the heels of Ida Tarbell's portrait of July 1905, which now, after twenty years in the refrigerator of old files, has heat to scorch. A painted portrait so blasting in its effect and so vivid in its personality would not only be a best seller, but would probably be refused a hanging in any museum lest it cause traffic congestion and occasion crowd panics. Complete strangers want to befriend its victim. Little wonder that Cleveland neighbors expressed friendship for its human subject, even though compelled to admit a possible line between the debit and credit sides of his business ledger.

Two biographical fragments appeared in 1925 by two journalists, Fred C. Kelley of Cleveland and J. I. C. Clarke of New York, chief publicity man for Rockefeller's company from 1906-1913 after Rockefeller's retirement. The Kelley fragments were home town yarns, some pure myth, syndicated to newspapers as "Rockefeller Tales." They show what human interest lies in Rockefeller, if only he and his associates were not so close-mouthed about him:

Rockefeller talked of little except business. Preferred a high stool. Came first and left last. His first oil profit was a "split" of commissions on Cleveland shipments through a New York broker, to keep Rockefeller from opening a rival house in New York. [Denied.] Whisky money, a loan from S. V. Harkness [then in lumber not whisky] to his partner, previously refused to himself, helped Rockefeller pass his first money crisis. He conceded that his partner, H. M. Flagler, saw the future better than he did. Always made a mystery of his father's whereabouts. Docked a caddy a dime for carelessly losing a golf ball. [Denied.] Rebuked a street car conductor for assuming that he meant to pay the fare of a prominent society woman sitting next to him.

[Denied.] In refusing to loan his brother Frank $75 to enlist in the Civil War he said: "You would be a wild, foolish boy to go away and waste youthful years that you might utilize in getting a start and making money." Hums when riding. Doesn't have stomach trouble any more. Has been "surprised, disappointed, amazed, vexed, irritated, grieved, that the American public has not risen as one man to build a Brobdingnagian [giant among lilliputians] monument in his honor."

Insiders' Portraits

THE Rockefeller publicity man's 1925 picture of Rockefeller is reported later. A few reminders are here inserted to indicate the type of biography which "insiders" will write:

Rockefeller never persecuted his oil competitors but worsted them because he and his associates were "brighter, brainier men." His success was in no sense due to rebates, but rather to his "ability to make oil one cent cheaper." It was only because of a mistaken idea that the producers in Pennsylvania started their war on Rockefeller. On the personal side, clergymen were Rockefeller's paragons and his life knew "no mundane clubs, no gorgeous, costly banquets." In 1907 Mr. Clarke found Rockefeller "growing more apart from his like in wealth every day, yet [why not therefore?] cultivating cheeriness of mind, suavity, and a pure democratic civility that honored a faithful valet as completely as the wealthiest man or woman of consequence penetrating the successive castles of his reserve." Rockefeller said his constant thought was to get others to join in his coöperative giving, especially for education, through the General Education Board which "sifts the lambs from the goats of educational philosophy."

Two cats were semi-officially let out of the bag by Mr. Clarke, namely two inside Rockefeller biographies had been conceived and financed, one by Rockefeller's company after his retirement, the other by Rockefeller's partner and successor, John D. Archbold. Former preachers were chosen for both.

The second, *The Raid on Prosperity* by Chancellor Day

of Syracuse University, saw the light but did not sufficiently answer the attacks on Rockefeller hence was not pushed much by Rockefeller's company. In fact, the press rather pooh-poohed it, probably because it bore earmarks of propaganda and backing.

"Rockefeller gains in oil were all the result of hard, unintermittent work, sustained commercial integrity and effective management . . . titanic activity . . . most faithful and painstaking questioning of the smallest details. . . . His opportunities were open to all . . . [His] was the first merit system . . . [He] did what [his] accusers were trying to do. [He] is persistently libeled. Slandered by preachers, never convicted. . . . Made a few mistakes but no apologies . . . [His oil business] has been one of the greatest benefactors our country has ever known."

The first inside biography was never finished. Its author broke down in spite of personal attention and personal readings aloud given by the Rockefeller company's executives. Perhaps some later insider will answer questions like these: How did it deal with the Rockefeller indictment of 1879 for criminal conspiracy? In what words did it explain rebates and drawbacks and the Rockefeller policies of secrecy in planning and silence under attack?

CHAPTER 7

OFFICIAL BIOGRAPHY IN THE MAKING

"LITTLE John liked base ball very well and in game of two old cat played in any position." This is from the official biographer in 1924. Evidently no censorship by small boys has been given to this manuscript. It hardly adds to the stature of a great man to say that in a game like two old cat, the whole point of which is that each player moves up until his turn to bat, he was actually able to play in any of the three positions.

Another taste of what the official biographer evidently considers his job is the following story to illustrate Rockefeller's boyhood scorn of danger:

"He was no teacher's pet though, but was adventurous as most boys of his age. When he was eleven years old he began to try to swim in a deep pool in the brook back of Farmer George Smith's barn near Owego. [In the illustration the whole Susquehanna is given as his swimming pool.] This was a favorite resort of the small boys of the neighborhood and little John [only eleven years old], tried again and again to master the art of the breast stroke until at last he was able to dive in boldly and swim all the way across the pool, *a matter of only five strokes* but a big feat for a new swimmer. [It was his second summer at this place when he tried this adventure.]

A Press Agent Reminisces

WHILE paid by the oil company for publicity after Rockefeller's retirement, J. I. C. Clarke says he "sought publicity" for Rockefeller's philanthropy. He mentions a particular article on one Rockefeller philanthropy that pleased the Rockefeller group and led to a personal interview with Rockefeller in 1907. He had been told to be sure to be there on the minute. When he arrived on the minute, Rockefeller was ready and, as if by similar precise arrangement and discipline, a Catholic priest and a woman score-keeper set out with Rockefeller and him for a game of golf.

As Rockefeller's pleasantries fell along the golf course, Mr. Clarke noted the "loud laughter of counterfeit glee" among the Rockefeller caddies. He says that it was Rockefeller's "special vanity to appear stalwart at sixty-eight." Incidentally he says of Rockefeller's interest in landscape beauty: "His sense of beauty had not been highly cultivated but its primitive roots were deep."

"What has held you up under the storm of denunciation raging round you for so long?" the press agent asked

Rockefeller. Eighteen years later he says that Rockefeller's face showed a "long suffering soul underneath."

"I have felt," Rockefeller answered, "that [the public] did not understand me, but I have trusted in the Lord that they would know before I die. . . . There are some of such unkind nature that the more I try to do, the more they cry against me."

Partly because he was Irish, partly because he was a poet, partly because he was a reporter seeking "copy" and partly because he was a man of sympathy, Mr. Clarke—without, however, so explaining his remark—said to Rockefeller: "A generation to come will recognize a glory in your name."

" 'Oh, you think so?' Rockefeller said, a wonderful light breaking in those sad tired eyes."

The press-agent historian—and as frequently remarked it is in biography that most history takes root—then proceeds to give Rockefeller's explanation of his success in oil:

"It cost us far below what others were paying for an inferior article. . . . Under a mistaken idea, the producers in Pennsylvania started a war on us . . . and soon we were fighting for our lives. All the Cleveland refineries were joining our forces, all but a few." Rockefeller said he won other refiners by showing them that he could make oil a cent cheaper than they could without any mention of rebates which, in their own testimony later, they said was what convinced them to sell out. Rockefeller also said, according to Mr. Clarke, that most of his competitors preferred to take stock, although in his *Random Reminiscences* Rockefeller says that people did not want to take stock because they did not have faith in the oil business.

The biographer slipped a stitch, as press agent biographers are apt to do. In the chapter on Rockefeller, he expatiates on Rockefeller's stalwartness and vitality at 68. Several

pages farther on, his chapter on Roosevelt says that Rockefeller did not accept Roosevelt's invitation of 1907 to come down and talk over the possible suits against the Rockefeller company because "the active men did not relish the idea of having him, ailing as he then was, bedeviled by threats and reproaches."

CHAPTER 8

LLOYD AND TARBELL — NEMESES

THE nearest approach to Rockefeller biography is by Rockefeller himself, Lloyd and Tarbell. Neither tells much of Rockefeller's personal life except as it is reflected in the life of the oil business which he built into a world giant. Lloyd does not even mention Rockefeller's name. While Tarbell frequently mentions his name, it is almost always in connection with his business policies, except in her magazine personality sketch which Rockefeller by changing several lifetime characteristics did his best to prove a caricature rather than a realistic portrait. For the core of a composite biography of Rockefeller, we must draw upon these biographers and the official biographers, like investigating committees and courts, that have had to do with him and his business methods.

The best known Rockefeller biographer is Ida M. Tarbell. When in 1925 a new two volume edition was issued it quickly disappeared. Some consideration unknown to the public outweighed immediate sales profits, for her publishers did not keep the public supplied.

It is known that her history is based upon detailed—Rockefeller forces still say selective—study of original contracts, letters, newspaper articles and testimony before official investigators and courts. It is now widely believed that it was the first to point the way to such original records.

Instead of being the first, the greater part of it was pointed to in detail by Lloyd's story ten years earlier. In fact with but negligible exceptions, the original records up to 1894 that are quoted at length or in toto by Tarbell were cited in the Lloyd book which preceded her by eight years. It is interesting to speculate why a book as restrained as Miss Tarbell's should have displaced in public interest as well as professional confidence a book as thrilling as *Wealth vs. Commonwealth.* By all the laws of that newspaper judgment which gives us feature stories, tabloid newspapers with enormous circulations and programs of jazz music, *Wealth vs. Commonwealth* should be a best seller and Tarbell's history a reference book.

What is the explanation? Time is one cause. Lloyd pioneered before public sentiment had crystallized; Tarbell came after Bryan and Roosevelt had organized enormous political armies to demand information about the origins of Rockefeller and like power.

Other possible explanations are: (1) The Tarbell story appeared serially in a magazine, and a "muck-raking" magazine, *McClure's,* at the zenith of its appeal to popular imagination and vindictiveness. (2) Its author was a woman, which fact of itself had special interest, and a woman with a triple appeal to popular fancy: she had succeeded in what up to then was considered a man's job, namely, historical research; she had but recently written a popular life of Lincoln; and was popularly credited with having a deep-seated personal and family reason—the ruin of her father's business—for saying "Revenge is sweet," after her Rockefeller history proved a great success. (3) The whirlwind intensity and sensational character of the Lloyd book, while making it a fascinating story, both made it a bit hard to keep the threads distinct and also raised a question about its historical accuracy. Readers of history still tended to believe there was something radically wrong with a true his-

tory which was so interesting that you would rather read it than the latest fiction "thriller."

Lloyd Ingredients

LOOKING back to 1894 and the appearance of Lloyd's *Wealth vs. Commonwealth,* it is interesting to wonder just how serious-minded people with no personal axes to grind, no conscious prejudice against wealth and no fixed convictions with respect to Rockefeller, felt when they opened to Lloyd's table of contents. This "antique" is repeated here partly because of the inherent interest of the titles, but chiefly because it is a truer portrait of Rockefeller as his critics saw him in 1894 than any photograph, portrait or character sketch that has appeared since.

There are none—they are legion
Cut off from fire
Prohibition that prohibits
Square eaters
Striking oil

Turn another screw
In the interest of all
Ordinary supply and demand
Through the woman's eyes
Taken from the jury by the judge

Not to exceed half
You are not to refine
No!
Who piped and who danced
Cheapening transportation

Crime cheaper than competition
Another tale of two cities
Freedom of the city
High finance
A Sunday in June

Song of the barrel
Unfinished march to the sea
Purchase of peace
I want to make oil
Sympathetical coöperation

Toledo Victor
You are a—Senator
For "Old Glory" and an—appropriation
The commodity is not so good as before
To get all we can

All the world under one hat
Not business
The smokeless rebate
The old self-interest
And the new

Partial list [620] of trusts

Two other features of Lloyd's story are like specially posed lights for bringing out the portrait in the table of contents. They are the running heads and the footnotes. Readers who like experiences which stimulate imagination and test the elasticity of their minds would enjoy spending fifteen minutes on them. A few page heads are given for the important part they played in building up the Rockefeller of public fancy. However untrue or unfair to the net Rockefeller it may develop that any one or several of these portrait strokes are, they are absolutely true of Rockefeller as he seemed to enormous audiences before he had retired from business and before his philanthropies had put new strokes, new colors and new lights on his portrait.

Regardless of the persons or movements for which they were intended, running heads like these are important American history:

U.S.A. United Syndicates of America
Not in name—only in reality
I spy
Thirty dollars for one every year
Why checks were not used

Drunk by advice of counsel
Four juries have agreed
The victim punished first
Poisoning the springs of public opinion

The basic ingredients of later Rockefeller biographies are contained in Lloyd. It is hard for the present generation to realize the excitement caused by this work when it came out in 1894. A great deal of pamphlet literature of similar effect had preceded it, but that was the first book to mass what Lloyd called evidence and to tag it all with quotations and page and date references from news stories, editorials, magazine articles, church gatherings, investigating committees and court testimony. Hard as it is to picture the state of mind before which Lloyd marshalled his concrete stories, it is almost harder still to realize how nearly forgotten it was by the time Ida Tarbell's magazine articles started eight years later, in 1902.

One Slip by Ida Tarbell

In her long story of Rockefeller's oil dealings, Ida Tarbell made so few slips from the record that for over twenty-five years she has stood as an accepted authority and an exceptionally careful history researcher. This is saying a great deal for a book which recites so many unpleasant, not to say damning, facts. The chief reason begins with Historian Tarbell's desire and ability to be accurate and fair, but a contributing reason is that she clings so closely to official records, reprinting no fewer than sixty-four. Her sympathy may have idealized Rockefeller's victims, it did not miscolor his conduct.

In one case Miss Tarbell slipped and laid herself open to a quibbling denial by one of Rockefeller's agents at a very critical time in the country's thinking about what attitude to take respecting Rockefeller gifts. Because of her slip the *Outlook* at the height of its circulation opened its columns and threw a tremendous influence against the correct understanding of Rockefeller testimony. It printed a plausible short article by Rockefeller's personal counsel, Starr J. Murphy, which convicted Miss Tarbell of a misquotation and both caused and supported an inference that she had been unfair and unjust.

The little slip with the big result was due to leaving out a syllable that appeared in the official record which she copied. In citing historical records, the slip of a syllable makes the historian "out," just as in baseball a failure to touch the base at a critical moment means "out" for the runner touched by the ball.

In her 14th chapter entitled "The Breaking Up of the Trust," Miss Tarbell twice quotes Rockefeller on the stand. He is made to contradict himself. In the first quotation for February 28, 1888, she has Rockefeller asked if he knew about and had been in the South Improvement Company. He answered that he had heard about it but had not been in it. Six pages farther on she has him say to a congressional committee April 30, 1888, that he was among those who in 1872 belonged to the South Improvement Company.

As Miss Tarbell tells the story, Rockefeller is convicted of having given absolutely contradictory statements within two months to two different governmental committees about the same event. Unfortunately for her, as Mr. Rockefeller's counsel later pointed out when Washington Gladden charged Rockefeller with false testimony, the Tarbell record quoted by Dr. Gladden was incorrect.

What, then, was the slip repeated inferentially as late as 1927 by the Beards?

The questions were not the same. The New York committee and the congressional committee meant to ask the same question. They referred to exactly the same condition and the same company. The former, however, said South*ern* instead of South, so Rockefeller, just as if in a parlor game for testing acuteness, said "I was not." And he was *not* a member of the nonexistent South*ern* Company. With equal frankness he told the congressional committee that he *was* a member of the South Improvement Company.

Biographers Denounced

Lloyd and Tarbell did not escape contradiction and denunciation. John D. Archbold, partner of Rockefeller, said Lloyd's story was "one of the most untruthful, distorted compilations ever inflicted upon a suffering public . . . containing fiction made up entirely on one-sided testimony and dressed for sale." In rebuttal Lloyd, when before the industrial commission of 1900, quoted S. C. T. Dodd as having said in Pennsylvania's constitutional convention of 1873, before he became Rockefeller's chief counsel, that if the South Improvement charter had not been repealed, "I venture to say there wouldn't have been one mile of railroad track left in (the oil region). The people had come to that pitch of desperation."

The Tarbell story was attacked by the *Oil City Derrick* which by 1902-1904, had, like many other oil region newspapers, become a Rockefeller organ. Her slip was pounced upon and she was accused of being not only onesided but also venomous because of family reverses in oil which she laid at Rockefeller's door. Rockefeller defenders so contend to this day. Before the storm could gather either back of her or against her, Rockefeller's money giving diverted attention from his money getting.

CHAPTER 9

JUDICIAL PHOTOGRAPHERS

IF Lloyd and Tarbell stood alone the new generation would feel it necessary to challenge their findings. Their conclusions flow so inevitably from the records they quote that the remote fair mind fears something has been omitted; Rockefeller forces assert much was omitted. At this point two other groups of biographers, economists and jurists, step in to save time and clear the atmosphere. They both reënforce and supersede Tarbell and Lloyd as land stakes, as certifiers of Rockefeller's final balance forward. They have made exhaustive studies. They have weighed thousands of conflicting stories. They have waded through "jungles of conflicting testimony." Out of it all they draw a bare outline of Rockefeller's portrait which gives a determining character to the picture. Other biographers but furnish detail and color. From minor biographers we must pick our facts within the rules and limits laid down by those major biographers who agree, with finality earned by their scientific prestige, that at the time Rockefeller retired from active management of his oil business, he was still receiving illegal rebates and using illegal methods to cripple competitors. Chief Justice White says with the unanimous court behind him—including Justice Hughes, later Secretary of State Hughes, now trustee of the university founded by Rockefeller and also of the Rockefeller Foundation:

"No disinterested mind can survey . . . the jungle of conflicting testimony . . . relating to innumerable complex and varied business transactions extending over a period of nearly forty years . . . without being irresistibly driven to the conclusion that the very genius for commercial develop-

ment and organization soon begot an intent and purpose to exclude others . . . wholly inconsistent with the theory that they were made with the single conception of advancing the development of business power by usual methods."

Before striking this balance the Supreme Court studied charges and denials which took 23 printed volumes and 12,000 pages. No wonder that the justices called it a "jungle." The debits to Rockefeller were drawn by Attorney General George W. Wickersham under President Taft, now Chief Justice. They alleged thirteen kinds of action against public welfare and fair trade going back to their roots in 1872.

He took rebates. He secured preferences and other discriminatory practices in his favor by the railroad companies. He restrained and monopolized control of pipe lines. He conducted unfair practices against competing pipe lines. He made contracts with competitors in restraint of trade. He used unfair methods of competition like cutting local prices at points of competition. He conducted espionage of business competitors. He operated bogus oil companies, pretending to be in competition with his company long enough to drive real competitors out of business or into terms. He had rebates paid to dealers in oil (à la the process by which foreign dealers bill jewels intended for inspection by American custom officers at considerably less than the actual sum paid). He divided our country into districts and limited the field of his subsidiary companies so as to destroy and entirely eliminate competition. He made enormous and unreasonable profits.

The reader should remember that while these charges were made against Rockefeller's company and several other individuals, each and every one was also made against himself as one defendant.

The foregoing judicial biography of Rockefeller at work from 1871 to 1911 was not an overnight product. The final case against Rockefeller and associates was started June 24, 1907. It was first reported upon March 22, 1909. It was heard by the Circuit Court in April 5 to 10, 1909. The United States Supreme Court heard the appeal the next year, March 14 to 16 and April 11, with four additional days, January 12, 13, 16 and 17, 1911. It decided the case May 15, 1911. The decision appears in *United States* 221.

Rockefeller admitted some wrong-doing, the Supreme Court decision reads, but "laid it to too great individual zeal in the keen rivalries of business or of the methods and habits of dealing which, even if wrong, were commonly practiced at the time, such wrong being rather the exception than the rule."

After weighing all that he and his co-defendants said of his oil fortune, the nine justices joined in a verdict against him. Besides Chief Justice White and Justice Hughes, who in five years became the Republican candidate for president with Rockefeller's support, the joint authors and portrait painters were Joseph McKenna, California; William R. Day, Ohio; Horace H. Lurton, Tennessee; Joseph R. Lamar, Georgia; Oliver Wendell Holmes, Massachusetts; Joseph M. Harlan, Kentucky; and Willis Van Devanter, Wyoming. To Rockefeller forces it is significant that six of the nine were appointed during the trust-busting era 1902 to 1910.

After a study such as will never be made again by equal talent they found Rockefeller's method of fortune building not the philanthropic activity he modestly pictured it before New York investigators in 1888 but rather *"prima facie presumption of intent and purpose to maintain the dominancy over the oil industry, not as a result of normal methods of industrial development but by new means of combination which were resorted to in order that greater power*

might be added than would otherwise have arisen had normal methods been followed: the whole, with the purpose of excluding others from the trade, and thus centralizing in [Rockefeller's] combination a perpetual control of the movements of petroleum and its products in the channels of interstate commerce."

CHAPTER 10

ROCKEFELLER ON ROCKEFELLER

SHALL we let Biographer Rockefeller himself have the last word? Elsewhere the reminiscences over his own name are cited and analyzed. Another autobiographer of Rockefeller, S. C. T. Dodd, who was "auto" in that he was paid by him or his business, is a converted critic, the lawyer who drew the trust agreement of 1882 and who was for a long time Rockefeller's trust lawyer. Mr. Dodd was present with Joseph H. Choate to help coach Rockefeller and protect his company's interest when he testified in the New York investigation of 1888. For use at that time, Mr. Dodd wrote a twenty-page history of Rockefeller's oil company as part two of a forty-six page pamphlet entitled *Combinations: Their Uses and Abuses, with a History of Standard Oil.* He felt he ought to write it because "a legislative commission is not the most perfect instrument for discovering truth."

While Rockefeller partners were testifying that outside refiners controlled only 5% of the business, Mr. Dodd wrote as Rockefeller testified, that outsiders controlled 25%. He denied that it was greed which had built up Mr. Rockefeller's combine; that it had "wrung terms from impoverished railroads on the ground of the size of its business"; that the drop in oil prices was due to other causes than Rockefeller; that the Rockefeller combine could raise

prices without destroying the crude oil which it did not produce. He admitted that competition sometimes crushes out *competitors,* but denied that it destroys *competition,* so long as all have the right to compete.

The Dodd biography credited the drop in oil prices—from "always above 25c. and often 50c. and little profit before 1872 down to 7c. in 1888 with profit for its makers"—largely to Rockefeller's genius for combination. He said there were many combinations of refiners before Rockefeller's; railroad rates were excessive and lacked uniformity; the rebate and drawback system was universal and not confined to oil; the new, and up to 1882 disastrous oil business required coöperation. He cited six purposes for Rockefeller's oil trust, every one of which purposes, he said, was achieved:

1. To cheapen transportation facilities, but without the aid of rebates.
2. To manufacture better oil at less expense.
3. To manufacture by-products of petroleum on a large scale with better machinery.
4. To obtain and utilize the best skill.
5. To open up new markets by educational work.
6. To increase the supply and decrease the cost.

The whole scheme of Rockefeller's combination had been justified seven years before by Mr. Dodd in 1883 at a speech to the students and faculty of Syracuse University of which Biographer Day was Chancellor. Lawyer Dodd then said that around 1872 "oil refiners began to combine to save themselves from ruin."

The popular criticism of Rockefeller, much of which he says was "as wild and baseless as *Arabian Nights Tales,*" he attributed to "socialistic prejudice against capital;" a mistaken belief that Rockefeller's company typified "the

type of modern monopoly crushing out all competition;" absurd tales of Rockefeller's increase of capital; a belief, contrary to the facts, that Rockefeller had kept down the price of crude oil; and a belief that Rockefeller had secured special rates, for which, he says, there was more ground than for any other charge against Rockefeller's company. He admits that Rockefeller often got a special rate but adds: "Whether this was an absurd, unjust and criminal position for the railroads, let the Supreme Court of the United States decide. The question in various phases is before it."

That decision which came in 1911 was against Rockefeller's business ethics. The fact that the beheaded oil organization, broken up into its many separate companies, has made huger profits than ever since the Rockefeller oil trust was dissolved does not change the Court's verdict and characterizations (p. 33). It proves nothing but that in a motor age it has been immensely profitable to make and market gasoline from coal oil.

The private contention of Rockefeller forces in 1929 is that time will repudiate all these biographies, even and especially that by the United States Supreme Court. This tribunal, it is recalled, had recently received six accessions by appointment of trust busting presidents. Try their hardest to separate themselves from their background and truth from popular prejudice, the justices simply could not succeed, the Rockefeller view contends, and based their decision on atmosphere and intent when specific allegations broke down. Thus it is with seeming confidence predicted that there will sooner or later come a moral vindication of Rockefeller before the tribunal of historical research. Such an outcome would be easier to expect were it not for the review as late as 1925 by foremost economists, as summarized in the later chapter on Rockefeller's Balance Forward (p. 160).

CHAPTER 11

VISTAS FROM NINETY

ROCKEFELLER'S main intellectual interest since he retired from active management of his various money-making enterprises and started letting his money work for him without personally supervising it, has been the enjoyment and creation of landscape vistas. He has transplanted huge trees and moved whole forests or planted new ones just to secure better vistas at his estates in New York and New Jersey.

No other part of Rockefeller's book contains so much feeling as his descriptions of vistas obtained, for example, by chopping down a tree that obstructed an otherwise long view from the dining room of his boyhood home: by taking a Cleveland business man to see the beautiful views through the trees of his Forest Hills home: and by planning long beautiful surprise views looking toward the Hudson from his Pocantico estate. Briefly, but feelingly, he also hinted in his book at improved vistas of friendship and personal contact with the leading creative minds of American business.

As Rockefeller approached his ninetieth birthday, July 8, 1929 and the 64th anniversary of his first job, September 26, the world which reads newspapers was invited to look back over Rockefeller's vista of those particular experiences which it gives him special pleasure to remember. Rockefeller's own anniversary statements for publication have heretofore contained few pictures, but by himself he must be reviewing four quite remarkable vistas that radiate from his mind as he looks back over the eighty years he can best remember of his long and tempestuous life.

The four Rockefeller vistas that have few if any equals

in variety and height of landmarks—either for his few contemporaries or for those of middle age, for our 700,000 college students and our 27,000,000 hero-seeking youngsters in lower schools—are vistas of political events, social changes, personalities and personal experiences.

Political Vistas

ROCKEFELLER'S vista of political events begins with President Hoover, his country's first engineer president and since George Washington the only president chosen for other public service than politics and war. That long vista of political memory ends with President Polk, the annexation of Texas, abandonment of jingo cries of "Fifty-Four Forty or Fight," acceptance of our present northwest boundary line and echoes of "Tippecanoe and Tyler too."

Because Rockefeller's mind works as other minds work, he sees in each president who marks his eighty year memory the personification of special meanings to himself. Because again Rockefeller's special meanings relate primarily to oil, each president for sixty years means to Rockefeller some special effect upon oil wealth.

Thus *Hoover,* whose administration began but five months before Rockefeller's 90th birthday, stands for the final canonization of Rockefeller as protagonist of business ethics and of public spirit and publicity in big business. Only four days after Hoover's inauguration Rockefeller forces ousted Colonel Robert W. Stewart as head of a $900,000,000 oil company (Standard Oil of Indiana) midst plaudits more nearly unanimous than hailed Hoover's inaugural address or cabinet. Hoover also stands for the jailing of Harry F. Sinclair, an oil man outside Rockefeller's group, for doing undiplomatically what Rockefeller made a fortune by doing without showing defiance, namely, failing to answer a public investigating committee's questions. Finally Hoover symbolizes to Rockefeller the journey's end, for Hoover haloizes

Rockefeller use of Rockefeller power and deprecates any question of its efficiency or ancestry.

Coolidge stands not only for national economy but for enormous reduction in Rockefeller taxes and for a special investigation, begun just before Rockefeller's 87th birthday, as to whether or not Rockefeller's former oil company has and uses power to fix the price of oil; for prosecution of a former secretary of the interior, Albert B. Fall, and several oil bandits for defrauding the government out of oil lands; for the recovery of the oil lands; and for suppression of evidence by Rockefeller oil managers, despite a six year belated protest by Rockefeller's son, like that which Rockefeller practiced for thirty years while building his fortune. Incidentally Rockefeller glows with self-vindication as he contemplates the Coolidge reputation for silence despite 265 public addresses in one year.

Harding stands, not only for post-war confusion and the retirement of feverish idealism in favor of "normalcy," but also for conditions which compelled Rockefeller's wealth to increase prodigiously while he played golf, and for leases to Rockefeller competitors of navy oil reserves from motives and by methods which the government's department of justice and Supreme Court later characterized as unfair and fraudulent.

Wilson (1921-1913) was our World War president whom Rockefeller asked the nation "to stand behind as a unit." Wilson was also the leader in stabilizing credit to prevent artificially created panics through the federal reserve banks; in taking the nomination of United States senators out of the control of big business; and in taxing big incomes so radically that Rockefeller had to make many shifts in his investments to avoid enormous penalties for the size of his income. Finally Wilson means, too, Rockefeller's last public appearance before governmental investigators, this time the industrial relations commission of

1915, to the general enhancement of his fame as the world's greatest money giver.

Taft (1913-1909) and *Roosevelt* (1909-1901) mean to Rockefeller not only what they mean to the rest of us, but what Rockefeller considers a "raid on prosperity." They symbolize successful prosecution of the great business structure which Rockefeller built up and its final dissolution by order of the United States Supreme Court on the ground that the methods which created and developed it included unlawful, unethical and un-American acts. At this time, which Rockefeller painfully recalls, there were no fewer than 792 giant trusts, progeny of their era and imitators of Rockefeller's form of organization. His and others' pipe lines were made common carriers, thus curtailing his power to secure special transportation favors.

McKinley (1901-1897) embodies for Rockefeller the era of the country's recovery from the panic of 1893, the triumph of sound money over silver, of political imperialism over isolation, of industrial leaders over Bryanism, of big business over populism, of eulogy for Rockefeller giving over unanimous condemnation for Rockefeller getting. He also recalls his acquisition of a new enormous fortune out of Minnesota iron.

Cleveland's second administration (1897-1893) marks the recession of the panic and Rockefeller's final control of Minnesota iron.

Harrison (1893-1889) stands for the breaking up of the original Rockefeller trust by Ohio's state supreme court, the culmination of the money crisis of the early '90's which found Rockefeller strong enough financially to reap hay while the sun failed to shine for others and the beginnings of his earnest attention to an iron fortune.

Cleveland's first administration (1889-1885) marks the creation of the interstate commerce commission with laws and duties of investigation intended to prevent the

repetition of such railroad favors to shippers as Rockefeller had prodigiously capitalized. It was in Cleveland's first term too that both Congress and the New York legislature investigated Rockefeller, the latter giving him what was staged for a terrific grilling but turned out a great advertisement of his politeness and cleverness.

During the administrations of *Arthur* and *Garfield* (1885-1881), but the year after Garfield died, Rockefeller finally organized the Standard Oil Trust, and inaugurated the era of strong central control of policies and prices with liberal local autonomy in details. He remembers that labor as well as capital federated nationally at this time.

Hayes (1881-1877) the symbol to most men of the quiet that follows the storm—first president to sponsor civil service reform and our only teetotaler president—was national executive at the period of Rockefeller's most trying experience and "closest shave." In 1879 Rockefeller was indicted for criminal conspiracy in Pennsylvania and escaped trial by signing an agreement with oil producers to put no stones in the way of railroads abrogating all special advantages such as those for which Rockefeller had been indicted; to refuse any future secret and special rates; and to let the railroads publish all rates. As a partial offset to this dreadful experience, Hayes stands for one oil dividend of almost 100%, besides a big addition to surplus, and for the Pennsylvania Railroad being cowed into buying a pipe line that competed with Rockefeller.

It is *Grant* (1877-1869), the victim and contributing cause of the Dreadful Decade of business and political corruption, who represents the golden age of Rockefeller's fortune building. In 1870 he organized the Standard Oil Company. Toward the end of Grant's first term he acquired domination over Cleveland's oil refineries, after signing but before canceling the South Improvement Company contract. It was in Grant's time that attempts to have Rocke-

feller's special favors from railroads investigated by Congress fizzled, even to the extreme of having the records disappear. Grant stands for reconstruction of Rockefeller's fortunes—after a personal setback in 1872, and after the panic of 1873 for which Rockefeller was prepared—quite as definitely as he stands for miscalled reconstruction in our southland.

Andrew Johnson (1869-1865) spells southern reconstruction blunders and chaos to the student of history, but to Rockefeller spells an entrance, head over heels, into the oil business.

Lincoln (1865-1861) personifies Civil War memories, decision not to enlist, the emancipation of slaves, first laws for helping agriculture and federal aid in building railroads to the Pacific coast. He also personifies the era when Rockefeller, now married, while growing wealthy as a produce merchant, tried out the profit possibilities of oil and decided that the small fortune obtainable from produce must give way to the larger fortune obtainable from oil.

Buchanan (1861-1859) is all mixed up in Rockefeller's mind with the discovery of oil wells which later helped save the Union, with John Brown's raid and public commotion over the Dred Scott decision, with debating and voting which led to secession and the Civil War, the emergence of Lincoln as the "man of destiny," Rockefeller's clerking and learning how to be too big for clerical work, becoming a capitalist and beginning the nightly intimate conversations with himself which in 1909 he said had definitely shaped his attitude toward his own opportunities and dangers as a money-maker (p. 133).

Presidents Fillmore (1857-1853) and *Pierce* (1853-1849) stand for tramping the streets for his first job, taking a short summer course in a business school, giving up college, leaving high school with one year to go, boarding away from home, arguing the justice of high interest rates,

writing essays on St. Patrick, and being punished for skating without permission in spite of his saving a neighbor's life.

Zachary Taylor (1849-1845), the last president in clear outline, way down this Rockefeller vista, means the Mexican War, the era of California gold discoveries and excited building of new railways in the East to St. Louis.

Where his horizon begins Rockefeller sees *President Polk* (1845-1841) and beyond him dim outlines of *"Tippecanoe" Harrison,* who was president while Rockefeller was learning to talk and beginning his A B C.'s.

Vista of Social Changes

ROCKEFELLER'S vista of social changes must still be for him an unending adventure, a wonder world, surpassing any fairy tales he heard as a boy. All about him at this end of the vista are necessities and comforts of modern life which had not even been prophesied when he entered business. Whatever his thrills were under the wildest imaginings of his boyhood and early manhood, they must seem but tiny ripples compared with the Niagara of realization to-day.

To look down this Rockefeller vista of social changes, it will be most entertaining to let Rockefeller himself point them out in the first person as if he were taking us for a walk about his estate and had just finished showing the vista of trees that is his main pride. If it rains, we can go inside and have a moving picture, with now and then a lantern slide or still picture, while Rockefeller rapidly plants on the screen-vista the social changes which have most impressed him these last eighty years.

"My friends, I play golf almost every day of my life. Business men now generally play golf. There are 3,000,000 golf players in our country. The first golf course here was in 1888 when I was ~~fifty~~-nine years old.

born 1839

"Except when walking short distances for pleasure, I move about in a high-powered automobile. To-day there is an automobile for every five persons in our country. Mr. Ford turns them out nearly six a minute. When I retired from business in 1895, we had just begun to hope that some day they would be practical. I can remember when my neighbors went about in ox-carts or on foot; present-day families on farms and in small towns think nothing of a holiday trip by motor to a fishing pond, amusement resort or beautiful camping place one hundred or even two hundred miles away.

"Whether I am in Tarrytown, Florida, New Jersey or Maine, scarcely a day passes that I do not hear and see air planes. I pick up my morning paper and read of airships taking photographs at the North Pole and sending back their stories to civilization by radio or carrying mail from Jerusalem to London or New York to Los Angeles. Any man who had insisted that this would happen when I retired from business in 1895 would probably have been put away in an insane asylum, while when I was a boy such a person would have been chained to a tree in a backyard for fear that he would do violence to himself or a neighbor.

"The trolley cars which have become such commonplaces that we are beginning to wonder if we have room for them any more have all come since I was what the world calls a noted success in business. Railroad trains were known even when I was a boy but they were few, short and sooty. The luxurious express trains of to-day that fly across the continent with only enough stops to make us see that it's all real, have only recently become everyday necessities. While I was making my fortune, the bitterest competition that the country knew was between railroads. To-day the federal government itself is urging railroads to combine rather than compete, and our principal cities are accustomed to great union railway terminals where travelers may take any one

of several competing lines. It is a matter of course to-day that all persons shall be given the identical rates when shipping freight. When I was building my fortune, no shipper was happy unless he believed his own rate was different from his competitors' rate and just a little lower. After concluding that our efficient railroads were the last word in handling our country's enormous shipments, we now have railless motor trucks encumbering our highways and threatening rail supremacy as buses threaten street rail existence.

"In every room of my house you see telephones. I am in reach of instantaneous communication, not only with every part of various estates and offices, but with every part of our country and almost every part of the world. I was forty years old when the telephone first became a practical business device, and was ready to retire from business before it became a commonplace. Only a little while ago and in this century, this house was connected by private telegraph wire with New York and Cleveland; the telegraph to-day is almost obsolete in my life except as it is used by others to telegraph generous references to my golfing and my occasional lapses into joking. Yet I was four years old when Morse sent his first telegram and it was not until long after I entered business that the telegraph became a necessity to traders.

"My roads are lighted with electricity, as are my house and all the outbuildings. If you were to visit me on the darkest night, I could show you vistas of trees from one part to the other of my estate by merely touching a button. Light can be turned on and turned off at will. Electricity correctly browns our toast in the morning. Electricity correctly warms new delicacies and old friends of the palate. These inventions, which are on the tables of the well-to-do, many of them in workingmen's homes, were not known when I retired from business as recently as 1895 and were not talked about when I became a multi-millionaire. The supreme

novelty of the Centennial Exposition of 1876 was electricity at work. I am not jealous of the world-wide use of illuminating electricity. The crude coal oil or petroleum which can still be found in the earth is needed for illumination in those still backward states that have not grown up to electricity and in the motor world on land and sea, below the surface and in the air, where communication is made possible by processes of refining petroleum that are improving every year. They were known but not commercially practicable in my boyhood days up to 1859, when the doom of the candle was sealed by the lucky strike of oil wells.

"What happened to the candle emphasizes another most important change in social customs. To-day when a new invention is announced, it seldom occurs to the manufacturers and sellers of the invention it will supersede to keep the public from using the new idea. On the contrary, we have scores and hundreds of newspapers and magazines, including those of the industries which are threatened by new inventions, all vying with one another in urging the change from good to better and quick to quicker. Both tolerance and progressiveness have been a tardy growth. As you look down the vista you find various degrees of intolerance, of efforts to enlist government interference with progress, of mass meetings called by candle makers to show the immorality of kerosene lights.

"Amusements have changed, but not so much as the public attitude toward them. My son, just as good a Baptist as myself, and, perhaps I may be permitted to say, quite as carefully reared as myself, dances on the boat during a Panama cruise and incidentally wins applause for his excellent technique. He wins the friendship of our striking Colorado miners, more particularly their wives and daughters, by the grace and democracy of his dancing. As recently as my retirement from business, this would have been impossible for a man of my son's responsibilities, and unbe-

lievable in a Baptist leader. Going back still farther to my early business days and boyhood, the Baptists I knew who listened to their consciences and their religious instructions, not only did not dance in public places but did not dance anywhere and did not even concede the reputability of dancing.

"Similarly, the public attitude toward the theater has turned a somersault in this short period of our vista. To-day, even religious schools teach the drama and illustrate their teaching by visits to the theater. In my circles, as a youth and young business man, the theater was considered a source of depravity, to be shunned by conscientious Christians.

"All around me to-day, in what I read and what I hear, is business coöperation. It is only this end of the vista, however, that denies that business is war. I had retired from business before it was the rule, or even a pronounced tendency, for competitors in business to have round tables and trade organs, state and national conventions, for publicly discussing their common interests. In my time if we met at all with competitors, it was in secret to consider truces among ourselves, or to devise means of circumventing railroads and other competitors. Sesquicentennial secrets of success were broadcast by successful business; at the Centennial period 'competitor' meant foreigner, outlander, enemy, to be suspected when on outwardly good terms and to be checkmated and even spied upon.

"To-day, women dressed as you see them on our vista-screen condemn one another for not using the ballot. Yet we had no nationwide women suffrage until after the World War. While several of our western states granted suffrage to women during the days when I was building my fortune's foundation, we heard little of it until shortly before the World War. When I started in business, belief in woman suffrage was almost as rare as kerosene.

"While looking at Mussolini in Italy and a half dozen

other dictators in Europe, I remember that the recent World War put an end to a score of constitutional monarchies. With the spread of representative government, autocracy in business is disappearing and to-day we hear even the leaders of the world's largest industrial combinations publicly proclaiming that their business exists for public service and for the development of their own working forces and stockholders. To-day that corporation is considered soundest whose understanding with its employees is most complete, whose finances are an open book, and whose stockholders contain the largest proportion of employees. Every few weeks we read of some great business or a great newspaper bequeathed to employees by the master mind which created or developed it.

"Did we have bootleggers? You of course remember that we of prohibition days have borrowed the term bootlegger from the days just following the Civil War when whisky tried to escape war taxes by hiding in the tall boots common to those days. I was established in business when the first state went dry in 1858; nationwide prohibition is still in rompers. I remember not merely the days of four saloons on every important corner with several in between, but the days when a teetotaler like my own father was a curiosity and when each grocery was a gin mill. It was not until the low license and high license period long after the Civil War, that it became unprofitable and intolerable for groceries, notion stores and drug stores to sell intoxicating drinks.

"Here and there along this vista of social changes are interesting styles of apparel for men and women. I think I find myself more impressed by the meaning of these changes, more particularly to adult life, than by their outward appearance. In my later years I have found among the men around me, and in my own feeling, that the purpose of clothing has changed. More and more we wear clothing for comfort and ease. Fashion makers now start with the major

premise that, however clothes look, they must feel easy, comfortable, free. Less and less are men expecting the apparel to proclaim the man, as it did even as late as the 1890's. Prominence to-day cannot be so easily imitated as in my business and boyhood days when men put dignity and social pretension on and off with the silk hat or the frock coat. I need not say that this particular change is even more marked in woman's apparel than in man's. To-day I find myself utterly unable to tell a woman's age or station from the length of the skirt, the cut of the waist or the dress of the hair.

"Finally, no customs have changed more in this eighty year vista than religious customs. At 90, I feel that I can consistently and conscientiously give my moral and financial support to a skyscraper church, to be called Baptist, although without the particular requirements for admission and good standing which were considered an irreducible minimum when I retired from business in 1895, when I made my fortune in the seventies, when I entered business in the fifties, and when I started to school in the forties. When I furnished the funds for starting the Baptist University of Chicago in 1892, it would have been easier for a preacher, standing in a Baptist pulpit, to admit the occasional legality of murder or free love than to admit what leading and spiritual Baptists are to-day widely admitting,—that a person can be a worthy Baptist without first being immersed. When I started the oil trust and made my contracts with the railroads for rebates in the '70's, I could not have remained in the Baptist Church fifteen minutes, had I avowed what my accession to the 'Fosdick program' at the end of this vista proclaims, namely, that in the story of man's creation and Christ's birth and resurrection the sacred *Bible* is to be taken for man's uplift rather than his suppression, metaphorically and not literally, in the light of modern research rather than ancient tradition."

Vista of Personalities

For Rockefeller's vista of personalities, let us return from the first to the third person. The first fact that impresses the student of Rockefeller is that his vista of personalities would have been a most engaging one even if he had been only an observer those eighty years instead of a doer and creator, inspirer and enabler. As he looks at the unforgetable personalities who stand higher than their fellows, he must say to himself that they are part of him, as he was part of them.

Several distinguished personalities, active in 1926, powerfully affected his own career. Charles W. Eliot's membership on two Rockefeller foundation boards materially helped change the public attitude toward Rockefeller, so powerful a hold had Harvard University's president and America's dean of educators upon the public confidence. Ex-Senator Depew, dean of story tellers, recalls the ex-counsel for the New York Central Railroad who shared responsibility for Rockefeller's secret rebates, later pronounced illegal. Elihu Root, dean of the American bar, in his own octogenarian days has told younger men that America must know the rest of the world's psychology and statesmanship better; Rockefeller showed the business world fifty years earlier that it must know better the rest of the world's buying taste and ability. Then there were Edison and Luther Burbank whose greatness helped make Rockefeller's sunset decade vastly more comfortable and adventurous as Ford's motors have brought Rockefeller huge profits from oil.

American industry's great captains, with but a handful of exceptions like his predecessors Girard, Peabody, Cooper and Astor, all looked up to Rockefeller as their superior in wealth and power. All but one or two of them looked up to him as their superior in organizing ability.

To not one single man of them has Rockefeller bent the

knee or raised the eye, unless to his own preacher-partner Dr. Gates, who helped him make an iron fortune after his oil fortune was won and proved of American public opinion that "Mann ist was er isst," man is what he eats, man thinks well of master givers.

The master combiner J. Pierpont Morgan, the great railroad financier E. H. Harriman, the great railroad builder J. J. Hill, the great railroad gamblers Gould and Vanderbilt, all took off the hat to Rockefeller though not liking him.

Even Carnegie, the world's steel king, considered Rockefeller in a different class from himself in everything except philanthropy and died realizing that even in the annals of philanthropy Rockefeller would occupy a bigger niche.

If Rockefeller were capable of envy, it is doubtful if from first to last of the line of great personalities of his time there is one other man in the whole business world whom he would envy unless possibly Henry Ford.

He would not even exclude royalty, for in the eighty years of his clear memory there has not been a throne or a prime-ministry that conquered as many wealth worlds or gratitude worlds as Rockefeller. Not a king or queen could command the resources that were at the end of Rockefeller's push-button until he turned over his fortune to his son.

Vista of Personal Experiences

ROCKEFELLER'S vista of personal experiences naturally borrows from the other vistas, except when he makes a special turn in memory's road just to furnish a view of his own special experiences. Prominent in the foreground at this end of the vista is his reputation as builder of the world's greatest fortune and largest donor. At the distant end of the line is a simple farm home. Able here to have anything in the world that is purchasable. Able there to have almost nothing that required money except the very few absolute physical necessities of existence. If Rockefeller often stops to

think back, as of course he does, he closes his eyes and starts with the man nearing 91, still in good physical condition, able to play a fine game of golf in Florida, New Jersey, Maine or New York; the center of the world's eyes; much sought after by newspapers and magazines; conscious that he can have a world audience as fast as electricity can send it any moment he cares to make a comment for publication on any subject under the sun.

Respect, admiration, gratitude, adulation, planted by church, college and charity, mark the vista line back fifteen years to such resentment of his rebates and drawbacks that eight out of ten editors in the country successfully protested against congress giving him a national charter for a hundred million dollar foundation.

Standing close by the refusal of congress to give its blessing to his great money gift is the United States Supreme Court order of 1911 that Rockefeller's business trust be dissolved because illegal.

Disputing attention with these two landmarks are great gifts of thirty and fifty million dollars, far taller than any that ever preceded.

Thence backward, lawsuits and legislative investigations, with alternating articles for and against him, make a steady line underscored by Ida Tarbell's terrific indictments of 1902 to 1905, and Henry Demarest Lloyd's equally terrific but more dramatic arraignment of Rockefeller up to 1894.

Not because he is Rockefeller, but because he is an experienced human being, it is probable that Rockefeller's own vista of personal experience grows wider and taller at the farther end. To this day, it doubtless hurts more that Ohio ordered his trust dissolved in 1892 than that the Supreme Court did the same thing in 1911. He can't brush aside his feeling about the investigations by congress and New York in 1888, as he doubtless brushes aside the Coolidge investigation of oil prices in 1926.

No tree of events in this Rockefeller vista shouts its story as does the Pennsylvania indictment of him for criminal conspiracy in 1879 and his bare escape from trial in open court for a succession of crimes against free commerce by contracting never to do it again.

From 1879 his mind doubtless leaps back most frequently to the oil war of 1872 and the scandal over the South Improvement Company's rebates following his success in consolidating the Cleveland oil interests because of the advantages promised him by those rebates.

From 1870 back to his boyhood days Rockefeller's vista of personal experiences is one which he would doubtless, for the most part at least, commend to every young American.

He organized a great business by combining brains and money with the treble purpose of making profit, contributing to his city's commercial progress, and wresting a world market by rendering service.

He remembers his going out of the grain business into the oil business in 1865, numerous loans by bankers on his business credit, his first venture in oil in 1862, his borrowing money and getting trade between the Civil War and his entering business in 1855, moments of indecision between enlisting to save the Union or sticking to business for profit, the thrills of his high school experience and making new friends in a great city as a young boy between thirteen and sixteen, culminating in several weeks of tramping the streets for his first job.

Valedictory

CAN you not imagine Rockefeller concluding an evening's illustrated lecture on his four vistas somewhat as follows:

"Dear friends, as you have seen from this hurried way in which I have taken you back four different vistas of personal experience, years count for little at my age. I long ago stopped thinking of a year as any number or sequence

of days. To me, life has been a sequence of friendships, efforts, ambitions, achievements, great personalities and unforgetable personal experiences. As you see me to-night, I am reputed to be the builder of the world's greatest fortune and the champion donator of funds for education, health and other benevolent causes. I was not born to this reputation. I have come to it along the route which I have called My Sesquicentennial Vistas. It is my dearest wish that as posterity reads my story, it will find help in making future generations more happy, more efficient and more worthy, together with evidence that the greatest profit and the greatest gratification lie in the direction of the greatest service to the greatest number."

We shall fill out the vista with his boyhood influences, his fortune building, his personality portrait, his money giving and his services as champion symbol.

PART TWO
Boyhood Influences

12. A Country Boyhood
13. His Boyhood Tragedy
14. What He Owes His Mother
15. His Limited Education

CHAPTER 12

A COUNTRY BOYHOOD

AT this end of Rockefeller's rainbow is the pot of gold. At the other end is a tiny room in a tiny wooden house that could easily be carried on top of his automobile. Not even Joan of Arc had an origin less suggestive of miracle than had this Rockefeller boy whose first rainbows stood out against hills which shut him in long before they lured him out.

Who ever loved romance, who ever believed in fairies and hungered for fables, who ever was trained to regard catastrophe and genius as miraculous manifestations of an all seeing eye and an all planning mind will discover a superman in Rockefeller, predestined to serve, to suffer and to be canonized.

Who can doubt that he was born with a genius and a destiny that rank him with Napoleon and Lincoln? It is easy to hear him at nine taking a Hannibal vow of undying enmity to the Rome of nineteenth century waste and war in business. We can thrill with him over his vision of coöperation in business and realize how Divine Providence placed him among hills of loneliness in order to develop introspection, patience, dogged will, hatred of waste and independence of his fellow man.

All of this is easy, as approved biographers prove, but it is not history. The other end of Rockefeller's rainbow was common, congested, poor to the verge of poverty, unromantic, unimaginative, uninspiring, unpromising and of itself vastly better calculated to cradle a crossroad store-

keeper than the world's richest man and "one of America's four greatest men" in the estimation of Ludwig, the biographer of Napoleon, Bismarck, Goethe, Christ and—soon—Rockefeller.

Rockefeller was born and reared in New York farm houses, but the only real farming he ever did was such as most village boys still do, he milked a cow for a short time and picked potatoes for a dirt farmer three days. Though a farm boy he was never more than an easy calling distance from a neighbor or a schoolhouse.

His boyhood was among hills. When he began to walk and talk, hills echoed but they also repressed. When at three "he ran away" to the little school just a stone's throw from his birthplace and until his eleventh year, the ends of his world were marked by hills. When between 11 and 14 he walked three miles to school with his younger brother, he need not feel so cramped for space, yet the line of hills beyond the Susquehanna which he skirted often prompted the question, "What's the world like over those hills?"

Rockefeller lived through his adolescent period within an easy drive of Watkins Glen, one of nature's choicest bits of sculpture. He never made the journey and never thrilled to its grandeur. Nor did he ever walk or drive to beautiful Cascade-on-Owasco just opposite his second home.

Some day the scientific research for which Rockefeller has given millions will ask what effect hills like those of Rockefeller's youth have upon the longing, questioning and trying of youths who leave them and other youths who accept them as life boundaries.

Published stories of his life, including his own, tell almost nothing of what interested him when a small boy.

A Cautious Boy

They show, however, that he was never venturesome. Although from four to ten he lived only a boy's two minute

run to Lake Owasco, he never learned to swim there. His official biographer rather painfully and pathetically finds two slender proofs of his plunging into adventure. But an American boy on a lakeside who doesn't learn to swim before eleven and a boy with a crack shot for a father and with every kind of wild game in the woods and fields all about him, who never learns to shoot, isn't likely to be rash in life's more serious enterprises.

Even the effort of his official biographer to make him appear a normal boy full of the joy of living leaves fear that Rockefeller when a small boy was about as outwardly joyless as when building a fortune.

If he was interested in his grandmother's spinning wheel, his mother's candle molds, his neighbors' two-wheeled ox carts, the "covered wagons" going west for better soil, the excitement of gold discovery in California, the wonders of stagecoach and Erie Canal, the editorials of Horace Greeley or the humor of Lowell's *Bigelow Papers* he has not yet betrayed the secret.

Rockefeller agrees with his other biographers that he was not quick at school. This cannot be charged to the schools he attended, for nowhere did brightness ever grow faster than in one room district schools. He lived just a step from his first country school. His second country school was just a step; two grammar school years he walked three miles to the Owego Academy, where he attracted no attention, except for sticking to his job and not being a leader, mixer or follower. Had he been an adolescent of our day, his school intelligence test would have given him a high "I Q" or intelligence quotient, but achievement tests would have given him an "inferiority complex." Yet he tells of an occasion in the '80's when his proficiency in mental arithmetic, the one school subject in which he shone, saved him several thousand dollars; he computed while engaging the seller in a running conversation on various subjects.

Two tales, probably apocryphal, are easily credible in the light of his later career: he matched an Owego boy friend's boast of the future by saying that he was going to be worth a hundred thousand dollars some day; he enjoyed playing games he himself proposed, but stayed out if the boys preferred another game.

His Boyhood Paper

AREN'T you interested in what Rockefeller read of the outside world when a boy? Newspapers weren't placed at his parents' door morning and evening. There was no telephone, no radio, no victrola, no milkman, no automobile, no dancing school, no Boy Scouts. People were not tearing by at all hours of the day to and from "yonder." Huge weekly and monthly magazines with stories and popular science, and more popular advertisements, were not only unknown but impossible. No free library was just around the corner or in the schoolhouse tempting or coercing him to give at least the appearance of reading.

It is surprising though how much he might have read in the four page Auburn *Daily Advertiser* which was his county's paper. If his own folks did not subscribe when his father was away, it seems probable that at least when his father was at home Rockefeller heard the county and world news discussed.

The volume for July 1849, which might have reported his boyhood tragedy is missing, but the issues of the *Advertiser* are still available which carried his grandfather Davison's notice of the suit mentioned in the next chapter.

Of four pages in September 1849 the first, third, fourth and one-third of the second were given to advertisements. All told, of 24 columns fewer than 4 were given to news and editorials.

On the first page 67 notices told of books and bookstores; on the second page were 4 book notices; on the third 17 and

the fourth 5—or 93 book invitations to young Rockefeller on a farm. He could read of Dante's *Inferno;* Thackeray's *Pendennis,* just out; *New York in Slices,* a sort of "colyumist" picture of the metropolis in small doses; *U. S. Exploring Expedition to Iowa; History of the American People; Webster's Unabridged Dictionary;* or *Gilt and Rosewood Frames.*

He could see latest fashions in men's hats and learn where to order ready-made clothes, a desire that sprouted early due to his father's fastidious taste in dress.

A museum showing the conflagration of Moscow and the attractions of a ventriloquist invited him to town.

Short notices made far away stage, railroad and steamboat journeys a temptation.

The political world in a nutshell—the beginnings of temperance agitation, national political conventions, biography —left young Rockefeller, if he read them, with more definite pictures than his grandsons probably get from a 32 or 96 page daily paper or 200 page magazine. Instead of our "funny columns" and "comic strips," there was humor like "Why Don't you Take the Papers?" by the humorist Nasby.

The patent medicine notices which ruled the paper—five on page one, one column on page three, and three and two-thirds columns on page four—doubtless meant more to Rockefeller than to his wiser father, who knew how little healing power lay in the medicine and how much in the salesmanship of the doctor and the gullibility of the patient. (Moravia has not entirely outgrown its addiction to patent medicine, for an octogenarian resident who believes all the bad he was ever told about Rockefeller and Rockefeller's father recently told me: "I would have tried buttermilk for my trouble the way Rockefeller did only I've been taking Blank's patent medicine for forty years and I was told it wouldn't go with buttermilk.")

A Shut-in Personality

ROCKEFELLER's boyhood gives few keys to his later success, though it does help us understand why there was so little joy in his fortune building. Born and reared in stern reality, he started with a nature that easily became fixed in secretiveness and self-restraint. Hills shut him in physically. The life around him and loyalty to his father shut him in morally and physically. As the oldest son he had not only to "mind" but to help train two younger brothers to mind. He earned his first capital by secretly trailing a setting turkey. The instinct of self-preservation, as well as family discipline, made him as secretive about his father's business as he was ignorant of his father's whereabouts. He won a victory for his "long view" from the breakfast room window near Owego by felling a tree while his younger brothers and sisters were asleep. His first job was one where he was to be seen and not heard, to listen, not talk. Undoubtedly he felt his mother's sufferings and appreciated her necessities.

Another boyhood factor in shaping and shutting in Rockefeller's life was his religion. He "got" it personally while in school at Cleveland, though reared a "hard shell" country Baptist. He did not take this lightly. He was a conformist. He believed what his time taught. He practiced what it preached.

It is hard for the present jazz age of young people to realize what it meant to be a devout member of an evangelical church like a Baptist Mission Church when Rockefeller was a boy.

Hell fire was no joking matter.

The life everlasting was a certainty.

God and Jesus the Savior were persons far more real than fellow Americans over the hills.

Biblical characters were more familiar than the Pilgrim Fathers or Washington politicians.

The only worthy happiness was in the Lord's vineyard.

Acts and thoughts were right or wrong, godly or ungodly; no one knew of Philosopher John Locke and his middle ground of acts that of themselves are neither godly nor ungodly.

The theater was ungodly, dancing was ungodly and terribly dangerous.

Our present-day playfulness, our holiday recreation, his own Sunday golf, would have seemed sacrilege to young Rockefeller, a denial or desertion of his religious faith.

Drinking was ungodly in his eyes and bad policy in his father's eyes. His grandfather on his father's side had drunk not only as nearly every one drank but too much for even the days before wholesale taking of the pledge. Rockefeller believed that you had to be either for a habit or against a habit, for or against a social practice, just as his *Bible* and his preacher said you were either for the Lord or against the Lord.

Little Play

Playmates there were practically none in his most formative years, excepting his own brothers and sisters to whom he seemed severe and aged. Like other country schools, his offered little play and, unlike other boys, he had no distance to go to and from school. Yet he remembers the number of pupils as thirty at the maximum. When at citified Owego, the farm boy who walked three miles to get to school, was slow in his studies and backward in pressing himself upon others' attention, didn't spend much time playing. "Lots of people now remember him who never knew him, he was hardly noticed," says a local historian.

Thus Rockefeller's character as well as his money-making was a product of his time. A different boyhood might not have affected his money-getting, but might easily have given him qualities which would have led the world earlier to admire him for his skill in beating it at the game of money-

getting. Ida Tarbell suggests that if he had felt more for the fair play that rules the American playground Rockefeller never would have gained his enormous money lead over his age; unhappily, however, the careers of successful modern athletes do not prove that fair play in sports "carries over" into business and politics.

More play in Rockefeller's boyhood would have changed the world's attitude toward his trust building more than it would have changed Rockefeller's building, once he saw the opportunity.

And more joy of living in boyhood would have prepared him if not for more joy in living at least for joy in more variety and of deeper hue than he has had since retiring from business.

Rockefeller's Family

ROCKEFELLER'S mother died March 28, 1889. The notice in the Cleveland papers the next day was just a brief card in the "Died" column:

> On Thursday morning, March 28, at the residence of her son, William Rockefeller, 689 Fifth Avenue, New York, Mrs. Eliza Davison Rockefeller, in the seventy-sixth year of her age.
>
> Funeral from residence of her son Frank Rockefeller 997 Euclid Ave., Cleveland, 3 o'clock, Sunday, March 31. Burial Friday.

In the personal column the next Sunday it was stated that "Dr. H. F. Biggar [Rockefeller's physician] returned yesterday with the relatives of the late Mrs. Rockefeller."

In the reports of the sermon that Sunday in the Baptist Church attended by Rockefeller when in Cleveland, there was no mention at all of Mrs. Rockefeller. On the last page the day after the burial there appeared a brief notice to the effect that after tributes by three pastors at an unostentatious funeral with sons and grandsons for pallbearers, the

mother was laid to rest. There is no mention at all of Rockefeller except as one of those present.

The references to her character in the sermons included these:

"Worthy of Life, Goethe's epitaph for his mother's grave, is eminently fit for Mrs. Eliza Rockefeller. Her death marks the completion of a life well rounded out . . . not a ruin but a pyramid."

"She couched her observation in a quaintness of expression and with rare humor. . . . The result of her training and discipline is seen in the achievements of her children."

"I have never seen Mrs. Rockefeller alive but just as one stormy night, as my train in Northern New York stopped, the curfew of apple blossoms coming through the window told me that we were in an orchard, so has the fragrance of the good deeds of Mrs. Rockefeller reached me."

For many years, the news item concluded, Mrs. Rockefeller had lived with her youngest son Frank and her daughter Mrs. Rudd. She died at the home of her son William in New York. In this connection Rockefeller was not mentioned.

The Father

In 1914 Rockefeller was deluged with letters from friends and associates urging him to explain the mystery of his father but he kept silent as did his brother Frank. A news item of the time says the secret of the whereabouts was "locked in his three sons and when the facts are revealed, the public will be amazed."

Rockefeller's father was characterized by the *Cleveland Plain Dealer* as "handsome, profane, abstemious, with an eye to a pretty woman." An evidently inspired perhaps press-agented portrait appeared in the "History of Cleveland," 1918, but quite different from the father whom Rockefeller knew:

"William Avery Rockefeller was an usually resourceful, active, aggressive, all round man of affairs in Cayuga County, New York, near to Moravia on the beautiful Owasco Lake."

This sketch does not speak of a quack doctor who was away from home most of the time or even of a crack shot, but romances like this:

"Among the first of his activities was the felling of the wonderful pine forests of Cayuga County and having these forests converted into lumber. In this work he was often up and off with the bob sleds at four in the winter morning."

It is only fair to recall that such histories are not necessarily inspired except as keenly imagined future favor is inspiration.

Brothers and Sisters

ROCKEFELLER was the second of five children who lived. William joined him in business but not socially, although shortly before his death he visited the old New York homes with John D.

Two sisters became Mrs. Rudd and Mrs. Briggs in Cleveland and are buried in Rockefeller's family plot. One sister died, as did one of his own children, in infancy.

The younger brother Frank went to the Civil War against Rockefeller's advice and without his help; broke with him over the absorption of Cleveland refineries and even testified against him to Congress in 1876; later became a subordinate officer in Rockefeller's oil company; borrowed money on iron mines and lost the mines to him; broke with him completely over what he called the iron injustice, took his child out of the Rockefeller burial plot and withdrew from Rockefeller's church. Yet his widow and children are said to be reconciled and as affectionate as Rockefeller's own daughters.

Grandparents

ROCKEFELLER's grandparents on his father's side are buried in the little hamlet cemetery at Harford Mills, New York, near his birthplace. He contributes $20 a year, once $40, toward its simple maintenance. No special attention is given to his many relatives' graves. Grandmother Rockefeller had been a teacher, of which fact her country relatives are still proud and Rockefeller unaware. She had a hard life, for her husband lacked the dash and versatility of his son, William Avery, the application of his famous grandson John D. and the money-making capacities and total abstinence of both. On the grandmother's tomb, 1867, is written: "Precious in the sight of the Lord is the death of his saints." On the grandfather's, 1856:

> "Now let him slumber in the dust
> Till the last trumpet's joyful sound
> Then burst the chains with sweet surmise
> And in our Savior's image rise."

His Final Resting Place

ROCKEFELLER's family vault in the Cleveland cemetery is on a mound, almost the highest spot in the cemetery. There are abrupt slopes on three sides, two of about twenty feet and one of over fifty feet. The high granite obelisk marking it is the highest in the cemetery. Toward the base is a band of Celtic design and, lower, a classic design. *ROCKEFELLER* is on the base of the west and east sides of the monolith, the point of which is cruelly sharp. Faint streaks of dirt ascend from it and from the adorned band at the base. In the evening light, its cold gray takes on mellow tints.

The grass is very green and beautifully kept. There are over twenty trees in the plot and many plants. Between the branches of the trees can be seen the smoking chimneys of

Cleveland and Lake Erie close by. Outside is Alta House, the social settlement founded in memory of one of Rockefeller's daughters, and not far away, going from town, is his Forest Hill home, of late years never visited by Rockefeller and now being cut up into building lots—unfortunately for Cleveland's beauty.

The Frank Rockefeller plot is just out of sight about 200 feet away east. The President Garfield monument is about 200 feet southeast. When first visited for this book the tombs of Rockefeller's wife, his mother and a sister had just received a wealth of various garden flowers. A large urn had an array of old-fashioned plants,—geranium, palmetto, bleeding heart.

On the tombstone of Rockefeller's mother in very large letters is *MOTHER.*

In this family plot, together with Rockefeller's mother and wife, are other tombs of three children who died in infancy, and Rockefeller's two sisters with four children and one husband.

Rockefeller's Boyhood Homes

Of five boyhood homes, three in New York and two in Ohio, Rockefeller can revisit three. Two burned, one being replaced.

The home in which he was born July 8, 1839, would be called a shack to-day. Its main part stands on jacks ready to be moved to Coney Island, on the old site on Michigan Hill, near Harford Mills and four miles north of Richford, New York—in Tioga County, twenty miles east of Ithaca and fifty miles south of Syracuse. The room in which he, a brother and a sister were born was until 1928 the smaller third of a small unoccupied farm house which had been owned for fifty years by a Rockefeller cousin until sold for museum purposes in 1928 to Mrs. Sarah S. Dennen of Coney Island. The second half of the old one-story shack,

originally the kitchen and wood shed but in recent years called the chicken shed, two rods back of the house, was torn down in 1927 but the old timbers were preserved, as is the barn built by Rockefeller's father.

Rockefeller's official biographer wrote of this birthplace as follows in *Finger Lakes Topics,* 1922: "The beams and timbers of the house, hewn with ax and adze, stand to-day as strong as ever. The stout timbers, the clapboards and the pegs that fasten them together, as well as the shingles on the peaked roof, were all grown in the forest near by." First cousins and lifetime neighbors tell stories of visits to the house by a midwife neighbor the night Rockefeller was born, by uncles of his when he was a baby, of presents taken there by neighbors, etc.

His second home near Moravia on Lake Owasco (1843-1849), in Cayuga County, thirty miles north of his birthplace, burned down in 1924 when occupied by convicts working on the "Rockefeller Highway." A brother and two sisters were born here. Few tenement mothers suffer the handicaps of Rockefeller's mother, caring for six babies in tiny quarters, miles from a physician, with no running water, no instantaneous heater, no electric light, no aids from department stores, no prepared foods, and most of the time no husband.

His third home (1849-1852) was east of Owego, in Tioga County, twenty miles south of his birthplace, and like the others is annually visited by him.

In his eighties on one of his visits to his third boyhood home Rockefeller saw in a newspaper office a photograph of his Owego Academy class in 1853. He and his brother William had not sat for it because they lacked the proper clothes. He wanted that photograph. The owner scented a chance to profiteer and asked $250. Rockefeller didn't want it that badly. Later the photograph passed with an estate to an old lady almost Rockefeller's age. She sent the picture

to him with her compliments. He sent her $100 as a birthday greeting.

The fourth home, at Strongville, Ohio (1853), burned but on its site Rockefeller built a new house for the tenants which is still standing.

Rockefeller's fifth home at Parma, Ohio (1854), exists now only as a stone block foundation of a square house with a chimney site on one side. The bottom is thickly grown with fresh green odorous mint, nothing but mint. The Rockefeller house burned there about twenty years after the Rockefellers left. A second house, its successor, built on the same site, also burned down. People thereabouts act as if they thought a person who believed "tightwadded Rockefeller" ever lived around there or who cares where he lived must be mentally unbalanced. The keeper of a gasoline and refreshment station feared it would hurt his business if he were to call his place "the Rockefeller homestead."

Although Rockefeller has made repeated and widely heralded pilgrimages to his boyhood homes, especially the New York homes, there is not the faintest physical sign of any affection for them. There is no attempt to beautify them or their approaches. There is nothing about them to make even his grandchildren regard them as historic shrines. Nor have the neighborhoods taken even the pains to identify them as Rockefeller homes except that a few simple postcards are available of his New York boyhood homes.

Yet few localities offer such tempting opportunities to enshrine history and beauty as does the Finger Lakes region, from its Hiawatha Island in front of Rockefeller's third boyhood home to the glens back of his birthplace and his second home on Lake Owasco.

All of these places were visited for this book, the New York homes several times. Without exception resentment was freely expressed that in all his giving of hundreds of

millions of dollars, Rockefeller has never given to the localities of his boyhood homes. Several of them retaliate by frankly stating that they have no interest in him whatever. In Moravia they call him "Ten cent Johnnie." Excepting a few individuals, his home-towns people know next to nothing of his story and are frankly bored by questions about a man who cared so little for them. They hadn't a glimmer of an idea of commercializing a tourist interest in themselves as nurseries of the world's richest man, father of trusts, apostle of coöperation and greatest money-giver until his birthplace was purchased for exhibition at Coney Island.

In fact he has never been fully forgiven for having trembled—for publication—when thinking what he might have become had he lived out his youth where he started it.

His Birthplace Commercialized

WHEN in 1929 Rockefeller agents protested against the removal of his birthplace to Coney Island on the ground that "such commercialization" of the historic relic was "unfair to a man who has given away more millions than any other man who ever lived," Finger Lakes newspapers exploded indignation bombs like this: "Who started the commercializing if not Rockefeller himself? For years he has used the old house to secure national advertising for anniversary visits but otherwise has let it go to weeds and decay."

A year before the whole world was startled and shocked or amused in 1928 by news that Rockefeller's birthplace had been bought to be shown to the millions who visit Coney Island every year as a symbol of opportunity in America and a picture of American rural life in 1839, his agents had the manuscript of his book. At that time there was a chapter entitled "Rockefeller-Era Museums" which urged dramatising Rockefeller's century by rural life's story

at his birthplace, by oil's story in his Cleveland home, economics' story at his Chicago university and big money's story in his New York City home. His agents and his son indicated no interest. Rockefeller told the then owner, a first cousin by marriage, that he himself could not worry about buying his birthplace but would speak to his son about it.

When the same opportunity was later discovered by Mrs. Sarah S. Dennen, then secretary of the Coney Island Chamber of Commerce, she saw immediately both educational and monetary possibilities in letting the old house tell its reminiscences to the urban throngs certain to see it at Coney Island. She ejaculated: "The place for an educational museum is where masses are sure to be and where in the world would so many see a portrayal of Rockfeller's meaning as right here at Coney Island?" She went to see the birthplace and bought it.

After Mrs. Dennen's purchase had been published and the newspapers of the country were applauding or deploring the proposed removal of the birthplace to the world's most famous recreation for the masses "amid barkers and freaks," Rockefeller agents played rôles which show how little progress Rockfellerism has made since its Juggernaut oil days in its attitude toward others who have what it wants or do what it doesn't want.

An official statement said the house in question had "never been owned by that branch of the Rockefeller family associated with oil." What was the public intended to gather from that statement? The fact is that Rockefeller was born in that house when his father owned it. That neither he nor his children ever owned it was also true. Queries followed by editors: "Why, then, has Rockefeller been harvesting front page stories every year for sentimental journeys to this house? Why was the world told how he pointed out to his grandchildren the very corner in it where he was born?"

Emissaries were hired in 1929 to telegraph Rockefeller or his agents the minute there was any sign of the birthplace being removed. They did.

What next? Rockefeller lawyers persuaded the state officials to refuse a permit for moving, on the specious ground that it would be dangerous to bridges and traffic to let the little old house travel over country roads. To this Mrs. Dennen smilingly replied: "Very well, I'll saw the house in two and if necessary will take it board by board in my auto."

Finally Rockefeller lawyers have said they will prosecute any one who uses Rockefeller's name for advertising the proposed museum. Again Mrs. Dennen smiles and says: "Perhaps all I'll need to say is *This is it.*"

Such, as we shall see, are the methods which built the Rockefeller fortune. They seem to be in the blood, for Rockefeller himself tearfully assured different audiences in 1928 that the old house would never be taken away. He is helpless in dealing with the birthplace as he has been helpless in meeting other crises since he delegated to others the direction of his destiny. Fortunately his advisers are helpless to prevent the use of his birthplace for the education of masses in ways they and he had not the imagination to conceive or picture.

Rockefeller money is salvaging cathedrals in France, endowing university extension in London, building hospitals in China, tendering archeological museums to Egypt, restoring a colonial village in Virginia and reserving North Carolina mountain forests for parks in perpetuity, while Rockefeller heart fails to express sentiment for and Rockefeller eyes fail to see opportunity for service to the rural life which gave Rockefeller and his dynasty their start.

Edison tenderly cares for his Ohio birthplace, maintains a housekeeper, keeps a light in the window, for friend or stranger, yet makes no press-agented pilgrimages. Rocke-

feller makes annual pilgrimages, with the whole world looking on, but has no desire to see flowers growing, to have grass instead of weeds, to have his birthplace alive with service instead of a smelly shell.

Other possibilities of commercializing by service where Rockefeller's agents commercialized for publicity are tempting.

The barn near the birthplace was built by his father. Though a teetotaler he whittled for the ventilator a bottle with two glasses which some day will add to the attractions of a roadside tea room either at the birthplace or perhaps in Westchester County near the Rockefeller estate of over 8,000 acres.

Again a half mile away is the home occupied by Rockefeller's grandparents when he was born. There is the old stone fence, every stone of which was placed by his characterful grandmother, as he told his grandsons with the moral. There too is one of the old bushes from which his father concocted cure-alls and he himself had leaves taken for laboratory analysis to see if they really had any medicinal value.

Cleveland Homes

During his early school days in Cleveland Rockefeller boarded. His first steps toward making a permanent home were described fifty years later by Dr. Emerson E. White, famous as author of educational books and one of the country's most dynamic and statesmanlike school superintendents: "One day in 1854 a tall, angular boy came to me and said that his widowed mother and two sisters were coming to Cleveland to live and he wished my help in finding a temporary home for them. I had recently been married, we had more room than we needed, I was appealed to by this young boy's rôle as paterfamilias so I said, 'Why not come and stay with us until you find a place?' He liked the idea and always insisted that it was a happy time for his

mother. Even after he became famous throughout the world he insisted upon having Mrs. White and me spend two weeks every summer at his country home."

Rockefeller appears the first time in a city directory in 1857 as a bookkeeper, residence 35 Cedar Avenue, the family's rented home. He is not mentioned in the business directory of 1858. In 1859 he is given as a member of the firm of Clark and Rockefeller with a residence at 33 Cheshire Street, now 19th Street. He remained at this address until 1866-67 when for two years his home is given at 29 Cheshire, after which his residence was at 424 Euclid Avenue with a summer place at Forest Hills, then outside, now in Cleveland, until he made New York City, 4 West 54th, his legal residence in 1884.

Rockefeller's father is listed in 1857 at the same address as Rockefeller as a physician, in 1858 as a "botanic physician," in 1859-60 without title; is not mentioned in 1861; is down again as a physician in 1862 and 1863-4, though not included in the list of physicians; again in 1865-6, though not in the list of physicians; in 1866-7 in the physicians' list and as a resident; in 1867-8 and again in 1869-70 at the same residence and in the list of "allopathic" physicians. In 1870 he appears among physicians but not among residents. In 1870-2 as a resident but not among physicians, and the same in 1872-3. He appears for the last time in 1879-80 as a resident but is not in the physicians' list. Yet for over twenty years he had not lived in Cleveland.

In the early years John and his two brothers, William and Frank, are in the directory at the same home address as the father. In 1861-2 William Rockefeller is in the directory as Wm. A. Junior, the next year as William, Jr. and thereafter as William. His reason for dropping the link to his father is given later.

Rockefeller continued to live two years in the family home after marrying in September, 1864, and then moved but

two numbers away on the same street, taking his brother William with him while Frank and the mother, and the father's directory name, remained at the earlier address. In 1871-2 Frank had a new address, the father's name remaining at the earlier address.

When Rockefeller decided in 1910 to lease his Cleveland homestead on Euclid Avenue, where the children were born, as an institute for treating inebriates, much local indignation was expressed. One neighbor who had earlier refused to permit an apartment house because he did not want to injure surrounding property said the whole neighborhood was against it and greatly surprised. Another neighbor thought it was very objectionable but believed it better to have it leased for a hospital than for commercial purposes. For five years it had been closed with the furniture intact and the neighborhood thought it would be kept so because Mrs. Rockefeller always "manifested the deepest interest in the old green house where her children were born and where her husband began his climb to fame by the Standard Oil route." It was after Rockefeller's son gained title that the old home was leased for five years and the furniture stored in the attic. It was recalled at this time that Rockefeller's Forest Hills home had been a sanitarium before he bought it; like four other Rockefeller homes it went up in flames, but it has not been rebuilt.

The Euclid Avenue home is now used as a boarding house with a couple of artist studios. The interior is gloomy, the hallways are unlighted, besides being painted very dark, the exterior is peeling and "poor folksy."

People in the neighborhood of the first home he built disagree as to just where Rockefeller lived. Many of them who have been there twenty years don't know which house it is. One man who has lived within twenty yards of it had never heard of it as the Rockefeller home. It is now remodeled for a yeast factory, with the old shutters and porch removed

and the red brick painted a light gray. The street is now dilapidated and of questionable repute.

At a great meeting July 22, 1886, Cleveland celebrated its centennial. The president of the Chamber of Commerce announced that Rockefeller had given the city 276 acres of land for a park besides $300,000 for improvements. The people present rose as one in adopting a resolution requesting Rockefeller to permit the park to bear his name. Cleveland's historian Clarke says of this incident: "Rockefeller has shown a deep interest in the City where the foundations of his vast fortune were laid." He might have gone further and paraphrased Æneas to the Queen of Carthage: "All of which Rockefeller saw and much of which Rockefeller was."

In 1926 Rockefeller and his son gave his old Cleveland church $350,000, later increased, toward a vast bizarre structure that looks more like a pagan temple or the lodge house of a secret society or a cigarette factory than a Baptist place of worship. It is in place of the beautifully clean-cut pointed spire of the old church.

He has done nothing to make family or community shrines of the birthplace of his children or his various other Cleveland homes. He has not even saved them from squalor and questionable repute.

CHAPTER 13

HIS BOYHOOD TRAGEDY

WHEN Rockefeller was ten years old he suffered as few of the world's noted men ever had to suffer. Shame, disgrace and the sheriff came to his little home on a side hill just above Lake Owasco as his father fled, a fugitive from both criminal and civil justice. His grandfather on his mother's side, John Davison, after whom he

was named, had conferences with the about-to-be-deserter and the deserted wife and mother. The sheriff brought neighbors in to appraise the Rockefeller property. The movable goods were attached by the sheriff in the name of the Law and in the interest of Rockefeller's maternal grandfather.

Who can tell what an influence this tragic experience and years of secret thinking about it had upon Rockefeller's character!

Quite naturally Rockefeller himself has not publicly psycho-analyzed himself as he felt when his father fled the sheriff with the threat that the family would never see him again.

Quite naturally his family and his official biographers have not told this story of the sheriff's visits to his boyhood home and his struggling mother. They do not want it told. They minimize its significance. They say his son has earned silence regarding it. To any one lacking proof of it they deny its reality.

Inevitably, however, the story must be told, first because Rockefeller's every boyhood influence is of interest to posterity and science and also because Rockefeller and sycophantic extollers have given the father a halo which truth withholds.

It is Rockefeller's father to whom Rockefeller attributes his first lessons in business. It is the father to whom gratitude is expressed. It is of his father that he writes proudly. It is the father whom official biographers picture as felling the forest primeval, starting a schoolhouse, arranging for Sunday School services in it and descended from the Plantagenets. These Rockefeller pictures of Rockefeller's father make the real father a public character, just as legitimate and necessary a subject for posterity's interest as Rockefeller's giving or his method of building a champion fortune.

Folk Tales

In the neighborhood of Rockefeller's two first boyhood homes old men and young women tell the vacationer that Rockefeller's father was a horsethief! "Yes, sir, he was an old horsethief, used to paint 'em so's they wouldn't be recognized and run 'em down into Pennsylvania." More sophisticated denizens of the neighborhoods, perhaps an editor, professional man or retired merchant, will say: "It's all a matter of record. Rockefeller's father was indicted for horse stealing, as Ida Tarbell showed. You've read her book of course. Wait, I have the article that tells about the indictment right in here. Mother! Please bring that Tarbell story about Rockefeller's father. You loaned it to Mrs. ——? Would you mind telephoning her for it?"

Folks who live nearer to the scenes of the elder Rockefeller exploits give other details that include allegations of illegitimate children and gambling. Of several traditional illegitimate children, one is said to have been proud of her bar sinister or at least its source, while another was tragically unhappy. "He had to be mighty smart to get away with that," said one relative. "I fear I have many cousins round here who don't go by the name of Rockefeller," said another.

In at least one case the gambling helped a neighbor. A Moravian loved to play cards, even played host to card parties, but always lost. Finally, in desperation he disappeared for a day, but returned able to "clean out the crowd." He had spent a Sunday and five dollars learning a set of card tricks from Rockefeller's father!

"Any good in Rockefeller came from his mother, only his money getting came from his father." "Never heard anything moral of Bill Rockefeller," said another. He was "slick," "a smooth talker able to get around folks," "a natural moneymaker," "not a high type man," "not at all

like his younger brother Egbert who's say-so was so." So comment Rockefeller kin.

Once "Old Bill" in a brother's home asked his sister-in-law and niece to "come see the new table cloth." What they saw was a cloth of real money, an article of which they, like other farmside folk, had seen very little. This was just his playful way of hinting at the wonderland which he roamed when afield.

Owego rumor says Rockefeller's father came home only in night times from the wandering that took most of his years; announced his return by tapping on the chimney pipe; gave each child a five dollar gold piece, saying he would get it away again if he could; wore fancy clothes; said nothing about his business but talked engagingly about almost any other topic; paid all store bills and was off again.

It is declared up in the Rockefeller region that after Miss Tarbell's magazine story of 1907 about his father, Rockefeller sent agents into the district to see if they could prove the story libellous. No suit was brought; rumor says the agents advised "the less said the better." If these folks' tales are slander their falseness can be established. Rockefeller has shown the same indifference to them that has neglected his birthplace, boyhood homes and his children's birthplace until like neglected wine the rumors have fermented into strong spirits.

A Fascinating Father

WHAT is the truth about Rockefeller's father in his New York days? There is no doubt that he was an attractive "man of the world," "mighty good company" and "dead-sure pay," altogether out of place in his own family, in his wife's family and in the three farm neighborhoods where he parked his family while he went doctoring and trading. The story is doubtless true that his wife, an earnest country

girl, "fell for his palaver" and married him with her own family's misgivings, if not against their protests. It is likely that he made a show, and in all sincerity, of wanting his children to go to Sunday School and of forbidding profanity.

He was unquestionably as good a shot as Robin Hood and like him in many other ways, though not a drinker. He used to go from one shooting match to another and come away with all the turkeys except those won by his shooting accomplice. Finally to keep up a semblance of a match his New York circuit placed a limit of three turkeys upon him.

He was a born rotarian. Had he lived his young manhood in the twentieth century he would have been a champion promoter of lodges and civic uprisings. He was the kind that could "put it over."

According to his oldest son's sunset biographer, W. O. Inglis, he put over the first school near their second farm home where young Rockefeller first went to Sunday School. "To find the middle of the district," writes the official biographer, "he drove from the north to south boundary counting the number of times the buggy wheel turned. Then he drove back for half as many revolutions, stopped, and there they built the plain, frame schoolhouse with walls of clapboard." In spite of its authorized source this story sounds "fishy," because as clever a man as Rockefeller's father could hardly, even in the 1840's, have taken such a wooden-headed way to find the middle of a nearly straight line,—which fell by his method just a stone's throw from his own house!

So far as neighbors of Rockefeller's father around his New York, Illinois and Dakota homes have been heard from, he was certainly a likable man. The landlord of whom he rented a house in Cleveland from 1854 for one year wrote for *Cleveland Reminiscences,* 1902, that "never was rent [$50 a quarter, probably exaggerated] more promptly paid

and never did I have in all respects a better tenant." The sister of his alleged youthful wife in his second incarnation as Dr. William A. Levingston told the *World* in 1908:

"Dr. Levingston married my sister after two or three years' acquaintance and after their marriage he visited with her here, Norwich, Ontario, about once a year for a number of years. He was a steady temperate man of good habits, kind hearted, sociable and well liked by everybody. He was a famous marksman and loved to hunt. He was fond of a good story."

The stories are true about his acting deaf and dumb, luring others to travel with him, playing "Dr. Levingston." Family biographers now admit he practiced medicine, which in his case means he was an unlicensed itinerant quack doctor and "Indian Medicine Man," the kind respecting which the president of the Rockefeller Foundation said in 1926: "Second story burglars are heroes when compared with medical quacks."

Whence the name Levingston? Why should Rockefeller's father go by the name Levingston? An old family *Bible* gives belated circumstantial testimony in these words: "Godfrey Rockefeller was born in Levingston, Columbia County, New York." How does this tie Levingston and Rockefeller's father? Godfrey Rockefeller was John D. Rockefeller's father's father. The next entry in that old *Bible* reads: "William A. Rockefeller was born in Granger, Columbia County, New York." The place Levingston never existed; it was misspelling for Livingston.

The only major parts of the foregoing history of Rockefeller's father which Rockefeller himself has not thus far vouched for is his father's having a western wife and going by the name of Levingston. Rockefeller either in his own story or that of his official biographer says that his father practiced medicine away from home; that he took long trips for this purpose; that on those trips he also practiced trading; that he made money; and that he loaned money at

high rates of interest, of which Rockefeller says that he believed at the time and has always believed that money is worth what borrowers will pay.

One phrase of Tarbell's, "indicted for something worse than horse stealing," has a varied progeny of misinformation. Nine out of ten who tell the horsethief story say that "Ida Tarbell said Rockefeller's father was indicted for horse stealing and the record is right up there at Auburn." On the contrary, she refers to the horse stealing story only as neighborhood talk. She does say, "There's an indictment for something worse than horse stealing."

The Tragedy's Record

WHAT was that something worse than horse stealing? The old indictment, dated July 26, 1849, by the twenty jurors of the court of oyer and terminer, reads:

> That William A. Rockefeller late of the Town of Moravia in the County of Cayuga, on the first day of May in the year of our Lord one thousand eight hundred and forty-eight, with force and arms at the Town of Moravia in said County, in and upon one [. . . . . .] in the Peace of God and the People of the State of New York then and there being, violently and feloniously did make an assault, and her the said [. . . . . .] then and there violently and against her will feloniously did ravish and carnally know against the form of the statute in such case made and provided, and against the Peace and dignity of the People of the State of New York."

What happened next? Was Rockefeller's father tried? Why no record of the sheriff's trying to find the accused? Was a trial ever intended or did the grand jury help vent some personal spite? Is his seeming guilt due to his not wanting a term in jail for want of bail? Is his technical innocence due to his not standing trial? Why, if he was guilty was the indictment sought fourteen months after the offense?

In the old record at Auburn a page has been torn out, the county officials believe recently, where there should have been further reference to the Rockefeller case. Its absence was first discovered by the authorities, they say, when search was made to see for this chapter whether the case was tried.

Rockefeller's father left the county before he could be arrested. We know this from another old document on file in the Auburn court house which earlier investigators do not mention. Perhaps they never saw it. County officials claimed ignorance of it in 1926, nor did they know if Rockefeller's father had ever been tried. However the *Auburn Daily Advertiser* carried paid notices on its back page for six weeks in August and September, 1849, which pointed to a civil suit and eventually to this old record.

The Father-in-Law Testifies

Four days after the criminal indictment of William A. Rockefeller his father-in-law appeared in Auburn and sought judgment against him for two overdue notes dating from August 2, 1845 and October 7, 1846, totaling $973.57 plus interest. The reason given for invoking the court's aid was that Rockefeller's father had told the father-in-law on "Wednesday of last week" that he had heard he was indicted for rape and hoped the father-in-law would go his bail. The father-in-law said he was "too old a man to go bail for any one," whereupon the indicted man told him he would never see him again, by which the deponent understood that Rockefeller's father "intended to abscond from this state never to return to it again." The wife had said he had already absconded. The father-in-law believed the intent was "to defraud his creditors" and therefore asked that "some personal and real estate" left behind be attached.

The next day, July 31, the sheriff and an assistant went to the Rockefeller home near Moravia; made an inventory; had two neighbors, Eliza and Thomas Vanarsdale, appraise

the property; and attached it. A newspaper in Auburn and another in Albany carried notices to William A. Rockefeller of the impending judgment. On February 9, 1850, a judgment was recorded for $1,210.75 including costs. October, 1850, the judgment was "satisfied," whether by family clemency or payment of the debt is not stated. County records show that the Moravia home was sold for $4,173 in July, 1850, the legal transfer being signed by him and his wife in Tioga County for the farm in Cayuga County.

Is it probable that Rockefeller's father came back to an adjoining county and mingled publicly while a fugitive from Cayuga County? A sheriff would have had difficulty catching a fugitive when there were only dirt roads and horse teams. The railroad had not yet reached Owego, so telegraphing was impracticable. The senior Rockefeller's comings and goings were never known in advance. It was but a quick jump into Pennsylvania, out of New York jurisdiction, in case the fugitive saw the sheriff first. Yet it is doubtful if so clever a man as Rockefeller's father took many unnecessary chances. He had said he was leaving forever. Why should he come back? No reliable information exists that he ever mingled freely around Owego. If he came back at night after stove pipe signals, it was probably not from playfulness but from discretion.

After he left New York little is known of the father. He sent Rockefeller money to loan at high rates of interest. He advanced Rockefeller $1,000, the coming-of-age present he intended making two years later, and loaned $200 more—all at 10% interest—for buying a partnership in a grain commission business. He rented two farm homes for his family in Strongville and Parma, Ohio, and at least one year in Cleveland won a reputation as a good mixer, a crack shot and a mystery. After his wife's death in 1889 he occasionally made short visits to Rockefeller in Cleveland and at least once at Pocantico Hills.

The Father As Dr. Levingston

HERE begins a story that reads more like the Middle Ages than the last half of the nineteenth and first years of the twentieth centuries. Miss Tarbell, three years after her book about Rockefeller's oil company came out, published circumstantial evidence that Rockefeller's father had lived and died in the west as Dr. William A. Levingston. She showed pictures of both which seemed to be of the same man. She did not assert on her own responsibility that they were the same. The *New York World,* however, February 2, 1908, declared in a long story that William A. Rockefeller was Dr. William A. Levingston; married a young and worthy Canadian girl in 1854; kept her in ignorance of his identity fifty-two years until his death; lived winters in Freeport, Illinois, and summered on a ranch near Park River, North Dakota, which he owned part of the time as Rockefeller but most of the time as Levingston; persuaded a certified Wisconsin physician named Johnston to leave his family with whom Rockefeller Senior's real name was no secret, and go with him treating Indians and frontier settlers; grew to be enormously stout; was visited by mysterious men from a distance during his last illness; and died in 1906 in Freeport, Illinois, May 11, aged ninety-six years, five months and twenty-eight days.

The story which the *New York World* spent a great deal of money in harvesting said Dr. Johnston and Levingston-Rockefeller earned big money, which somehow or other seems to have stuck to Levingston. The two were together out in Dakota. It proved too lonesome for Dr. Johnston who sold his claim to Levingston-Rockefeller just before a railroad paid a high price for a station site on it. Rumor insists that the son engineered this "coup de buy." Dr. Johnston later when head of a Chicago medical school identified Levingston as Rockefeller. It is claimed that Mrs. Johnston

once said of Dr. Levingston that he frequently visited her family, was called "Rocky" by her husband, and would speak openly of his connection with the eastern Rockefellers, their money, etc.

According to the *World's* old story, Mrs. Levingston, the second and illegal wife of Rockefeller's father, learned only a short time before her death of claims that he had an eastern family and was Rockefeller's father. She never would speak of him as Mr. Rockefeller.

It is supposed that only the three sons and the son-in-law, Pierson D. Briggs of Cleveland, knew of the alleged other wife, the reputed Illinois home and admitted North Dakota home of Rockefeller's father. Official records of Walsh County, North Dakota, show that William A. Levingston homesteaded 160 acres of land near Park River, taking title October 8, 1883 (when he was 73 years old). He assigned the receipt to Laura E. Briggs (John D's sister of Cleveland, Ohio) September 25, 1884; gave her a quit claim deed March 23, 1885; disappeared in name from the picture entirely. Thereupon the same man, William A. *Rockefeller,* obtained title by a warranty deed from his daughter Mrs. Briggs and her husband June 23, 1886, and deeded it to his son-in-law Pierson D. Briggs October 10, 1889, together with other lands totaling 475 acres.

Around former Rockefeller homes in New York it is rumored without evidence that the father was secretly buried on Rockefeller's estate at Pocantico. Others declare that Rockefeller's father secretly visited him in New York on more than one occasion. He was joined once in Cleveland by Rockefeller's uncle, Egbert Rockefeller, who lived a farmer and is buried near the grandparents in Harford Mills, New York, after a short visit which an old family diary shows he paid to Michigan Hill in 1890. A neighbor also recalls that he made this visit because he left his

satchel on the train and asked the neighbor to get it for him.

The Tragedy Conquered

WHY all the secrecy? Why the studied effort to trace Rockefeller's business virtues to his father? Were there no Rockefeller foundations in perpetuity, the secret would probably die with Rockefeller. Since, however, Rockefeller foundations and subsidized biographies will keep the world interested in Rockefeller origins for decades and centuries hence, there will be interest in the father's life until the whole story is deciphered.

Did ten year old Rockefeller gleefully admire his father's cleverness in eluding the sheriff and the law? Or were his ten year old appreciation of his father's running away from the law and his mother's suffering a boyhood tragedy that grew like a cancer in his spiritual body?

Reading Rockefeller history as other history is read it seems probable that the truth would protect the family name better than mystery and manufactured stories ever can. To have developed character in spite of such paternal guidance is highly creditable; to extol that guidance as an inspiration is not so creditable and seems bound to fail. Surely his grandchildren and their grandchildren have less to suffer from the truth than from conflicting fiction bred by secrecy, malice and cupidity. Surely, too, society has more to hope from future Rockefellers whose background is known to themselves and their times than from heirs exempted from history's truth as well as from labor.

Few lessons of any modern life are more graphic than that mother training, self-training, church training, wife training and early business training can fashion a character like Rockefeller's out of his inheritance, paternal example and early home background.

CHAPTER 14

WHAT HE OWES HIS MOTHER

DR. DAVID STARR JORDAN, world famous American biologist, finds significance in the fact that Isabel de Vermandios who died in 1131 was a lineal ancestral mother—through the Rockefellers—of Grover Cleveland, Jonathan Edwards, Grant, Patrick Henry, Jefferson, Pierpont Morgan, Robert E. Lee, Roosevelt, Washington and Rockefeller. Ten million American mothers are taking seriously the reminders from platform and pulpit that what their sons will be and do depends not only upon the physical vitality of mothers but upon their moral vitality and their dominant traits of character.

Is it probable that the same is true of Rockefeller's mother and her son? If it is, we must find the truth in other sources than Rockefeller's own words. One of the greatest surprises to the student of Rockefeller is that he has had so little to say of his mother and has voiced almost no gratitude or indebtedness to her. It is quite as surprising that Rockefeller's publicity pilots have failed to utilize such a wonderful publicity asset as evidence of Rockefeller's outspoken and specified gratitude to his mother would be, e.g., one business intimate's claim that he always referred tenderly to "my dear mother,"—months after this chapter had been read by his office.

In Rockefeller's reminiscences he tells five short stories about his mother:

His mother started him in his first business enterprise when he was seven years old by giving him milk curds for raising turkeys. He says "we" enjoyed his first business steps in caring for this capital and keeping a record of it.

His mother punished him with a birch switch to "uphold the standard of the family when it showed a tendency to deteriorate."

Once when his mother found out that she had started to punish him for a misdeed at school of which he was innocent she said: "Never mind, we have started in on this whipping and it will do for the next time."

His mother punished him for skating by moonlight against her rules, even after she discovered that while on this bootleg skating party her two sons had helped save a neighbor from drowning.

His mother suggested a way to get a long view from the dining room window that some other members of the family thought less important than the big trees which Rockefeller said obstructed that view: "I think if the tree were felled some time before we sat down to breakfast, there would probably be no complaint if the family saw the view which the fallen tree revealed."

Not another syllable in Rockefeller's book refers expressly to his mother nor do his Sunday School talks, his interviews and sympathetic biographers tell more of his mother except that she once ordered him down from what his official biographer calls the "lofty perch" on top of a country one-room schoolhouse and refused to let an Owego doctor amputate her boy's broken leg.

Another story about Rockefeller's mother, probably apocryphal, comes from the neighborhood of Rockefeller's boyhood home as having been told by Rockefeller. In it he is pictured as so devoted to piano practice as a small boy that his mother would drive him out of the house, not in order that he might have fresh air and play but that she might be relieved of the annoyance.

A seventh anecdote about Rockefeller's mother is an Owego myth but is quite symbolic of a maternal supervision that must have vied in importance with the instruction

in the principles and methods of business which Rockefeller says was given him by his father. Unlike the overwhelming majority of present-day parents, at least in their reputation, Rockefeller's mother knew whether or not her children were doing well at school. She not only knew that they were not doing well enough but took steps to increase their progress. She is said to have asked a neighbor mother, whose children had a better grounding in the essentials than the Rockefeller children had, if the Rockefeller youngsters might come to the neighbor's house at night for the benefit of studying with the neighbor children. It is in memory not of this mythical "extracurricular activity" that Rockefeller has made it a point when revisiting his third boyhood home, at Owego, to pay his respects to Mrs. Susan Life, who was the "big sister" for this coöperative night study when he was a boy of 11 stumbling at school, but of her actually being his algebra teacher at Owego Academy.

Let us hope that the promised official biography will at least elaborate the incidents which Rockefeller thought important enough to include in his reminiscences. Posterity and teachers of international relations would like to have more detail showing just how a "good deal of a disciplinarian" actually managed the diplomatic coup described in the story about Rockefeller's chopping down a big tree which four brothers and sisters wanted more than they wanted what he called a "good view." It is hardly likely, for example, that Rockefeller was allowed to chop down that tree just before breakfast. In fact, it is hard to picture a time by daylight, or between dark and daylight for that matter, when even the oldest brother would be allowed to "get away with" such an exploit without younger brothers causing a conference if not a riot.

4317

The Mother's Background

WHO, pray, was this Rockefeller mother? What was her life and what was she like? Eliza Davison was an untutored country girl in upstate New York who married a handsome, strong, agile, happy-go-lucky, dashing young bird of passage named William Avery Rockefeller. He took her to his newly bought sixty-acre farm home on Michigan Hill near Harford Mills a few miles north of a little village called Richford, Tioga County, east of Ithaca. Here John D. Rockefeller, her second child, was born July 8, 1839, when Martin Van Buren of New York was president of the United States.

Rockefeller's mother did not have the usual help of the husband and father in bringing up her oldest son and his two brothers and three sisters. On the contrary, she was sequestered with her little children in one owned and three rented houses on four different farms in eleven years. Moving was simple, there was little to pack, a wagon would carry all, there were no railroad tickets or gasoline to buy, no hotel bills to pay. In these various farm homes, with occasional help of a journeying father, Rockefeller's mother maintained the family standards, as he says, and reared three sons and two daughters. She lost one little girl.

Even in the 1840's and early 1850's it was not easy for any mother on any farm, least of all a young mother of five on five different farms, all but two belonging to other people, all inside of fifteen years, to bring up five children of exemplary personal habits, family pride, self-respect, thrift and ambition. On the contrary, any one of a dozen of this mother's experiences would have broken most mothers and deprived them of power to remain the "good deal of a disciplinarian" which Rockefeller when seventy years old said his mother had been.

However much her dashing husband may have mesmer-

ized his oldest son, the chances are overwhelming that the mother understood him thoroughly. So did her neighbors who showed their sympathy by knitting mittens for her babies, sending other presents and answering calls for help as when one of them rode at midnight horseback to usher John D. Rockefeller safely into the world. A mystery to distant neighbors and townspeople because he prosecuted his business at distant points, this father could not have been much of a mystery to Rockefeller's mother. He earned enough so that Rockefeller speaks of his own parents as "people of modest means without servants." He earned enough also to plan a gift of $1,000 to each of his children when they reached twenty-one and to be able to loan his oldest son $1,200 two years in advance of his majority. Moreover, he was able to require interest rates so high on other loans that they shocked young Rockefeller's landlady. The only evidence of Rockefeller talking over his private affairs with outsiders is his own statement that he argued with his boyhood landlady about the high interest rates he was obtaining for his father.

Playing Deaf and Dumb

How did Rockefeller's father earn money for supporting a family and making loans? Rockefeller's official biographer says the father was a physician. What he really means is that the father was an itinerant quack doctor who practiced among Indians and frontier whites far from the isolated homes of his family. In 1922 *The Fiddelstick,* a local magazine published at Bainsbridge, New York, told the following story about the medical practice of Rockefeller's father:

A Moravia boy named Hewitt who was twenty-seven years old at the time the Rockefellers moved there found Rockefeller's father fascinating as well as mysterious. He went off with Rockefeller Senior as a deaf and dumb physi-

cian with magic powers. He was "the celebrated Dr. Levingston." He kept up the pretense throughout his life until just before his death when he became mildly insane and actually believed himself deaf and dumb.

The reason for the hoax was that, as Rockefeller's father told him and as experience proved, the Indians had a superstitious awe of a person who lacked one or more senses. They believed the gods compensated such a person by giving him an occult healing power. Thus Hewitt, as the celebrated Dr. Levingston, was supposed to have supernatural healing ability.

When in his prosperous days he met white friends who knew he had not been born deaf and dumb, he explained to them that on his travels scarlet fever had made him deaf and dumb. Once as an old man he forgot his pose and burst out into speech which his cronies thought a miracle. He died believing in his senility that he was deaf and dumb.

Sometimes the two Moravians, Rockefeller's father and their neighbor Hewitt, traveled together as Dr. William May and the celebrated Dr. Levingston. Sometimes they went separately, each as the celebrated Dr. Levingston, a money-making precedent for Rockefeller's later substitution of coöperation for competition. Going single, these quack doctors, or fake doctors, won double fame and double fees. Together or single they advertised prosperity,—fine carriage, stunning black horses, everything to indicate success. Sometimes they wore the costumes affected by Indian medicine men.

So much of the story about Rockefeller's father comes from a niece of Hewitt, who was told the story by Hewitt's dying wife and shown a diary to support it. After reading the diary, the niece destroyed it and told the story to intimates by whom it came later to the magazine entitled *The Fiddlestick*. Another 1926 version by the Hewitt family

says the diary is still in the family, now prominent in New York politics.

Long after his protégé, victim and partner died, Rockefeller's father continued to use the name Levingston, going about with an actually licensed physician by the name of Johnston. As earlier stated, records and photographs published by the *New York World* in 1908 leave no doubt that he used the name Levingston for a second marriage with a Canadian girl of twenty who lived with him in Freeport, Illinois, thirty-one years and before that first in Philadelphia and then in Maroa, Macon County, Illinois, twenty-one years, without knowing of his other family.

Coming back to Rockefeller's mother and her children at irregular intervals, Rockefeller's father seemed a heroic figure to country neighbors who were fascinated by his glib talk, fancy clothes, huge diamond stud and suave manners otherwise known to the countryside only in fiction.

Both Father's Proxy and Mother

WHAT drama has ever been filmed that surpasses in possibilities the life of Rockefeller's mother wondering when this itinerant father and breadwinner would come back home, to what isolated farm neighborhood he would want to move next time, and how she could help her children believe and practice the tenets of her Christian faith which their roving father could hardly have appeared to exemplify? As they grew up they must have wondered, as did their neighbors, just what it was their doctor father cured with doses for every human ailment from the same jug at a high price. Did she tell them the truth about this paragon father? Did she evade unpleasant truths and help them idealize him? Was it because of Rockefeller's idealizing the father that she did not live with and lean upon him in her declining years?

One experience of Rockefeller's mother was considered

too personal and too shocking by Ida M. Tarbell for inclusion in her history of Rockefeller's business. To avoid telling it she said that Rockefeller's father had been indicted for a "worse offense than horse stealing" and thus sowed or re-sowed the unsupported tradition that Rockefeller's father was one of a gang of horse thieves.

The court record already quoted shows what Historian Tarbell meant. This record which Miss Tarbell sensitively skipped around is still too personal twenty-odd years after her writing to be repeated for any bearing it has on Rockefeller's oil business. It is not too personal to tell for its bearing on Rockefeller's life and character, because it helps posterity understand what Rockefeller's mother must have been and what she must have done for him. Moreover, it raises for future historians and psychologists the tremendously interesting question—Why in his own backward look is it Rockefeller's father rather than his mother to whom he publicly expresses and reiterates his indebtedness? Is it filial loyalty? Is it self-loyalty? Is it gratitude for impulses to success? Perhaps it is the devotion of thwarted love. Let us hope it is not merely self-protection.

When Rockefeller says the mother of this man's children "worked to uphold the standard of the family," she certainly had a heroic task, for her susceptible father-worshiping first son was ten years old when the tragedy broke, and therefore able to understand countryside disgrace.

Whether her other children were aware or unaware of the father's disgrace at the time, we have her father's affidavit that Rockefeller's mother knew of it, as she doubtless knew what kind of medical skill he was selling far away from home chiefly among Indians. Getting her family's character standardized in the midst of such misfortune and the exigencies of living alone and moving on so often was a more difficult task and called for a rarer type of efficiency than Rockefeller's starting in oil twenty years later.

"To my father I owe a great debt in that he himself trained me to practical ways. He was engaged in different enterprises; he used to tell me about these things, explaining their significance; and he taught me the principles and methods of business." To the audience watching this Rockefeller family story on the screen, it seems most unlikely that Rockefeller owes very much of his personal or business or church success to any practical lessons he could have gained from his occasional father except that it pays to earn with your money rather than your back.

The "practical ways" to which his father trained him included, "the elements of bookkeeping" and the importance of being "good pay." There is nothing in Rockefeller's chapters or other public statements to indicate what else was comprehended in "the principles and methods of business" which he says his father taught him. The only business his father knew from personal experience, except loaning at 10%, was land dickering, quack doctoring and frontier trading with Indians and white settlers. Whatever the business was it was always too far away from the various Rockefeller homes for young Rockefeller to see it at work.

Yet what more natural than that a tremendous influence was exerted upon Rockefeller by the personality and precepts of this occasional visitor to his boyhood homes? Men of his father's age on the farms and in the small towns near where Rockefeller lived must have seemed very crude and unromantic compared with the well-dressed man of the world who without notice would drive his "fine horses" into the yards where his poor relations lived and then during his short stay dazzle his own family and the neighborhood with his large "headlight diamond" and his charming tales of the world outside.

Mother's Influence Slighted

THE execution of any business precepts which his flitting father *in absentia* could have explained to him certainly rested with Rockefeller's mother. She it was who saw him through with his turkey raising and turkey marketing. Unless he was notably different from the next thousand boys of seven, his mother had to see to it that he fed those turkeys regularly, that he kept them from drowning themselves in the "nearby brook" and that he put down the amounts received for them in his little book.

It seems highly probable, furthermore, that it was extremely fortunate for the children of this particular father that Rockefeller's mother was, as he says, "a good deal of a disciplinarian determined to uphold the standard of the family," even if she had to use a birch switch in doing it.

Present day students of character training will find deep significance in the double entry accountability which Rockefeller learned when his mother punished him for taking a bootleg skate by moonlight notwithstanding the credit given him for helping save a neighbor from drowning. This lesson in double entry bookkeeping always made it easier for Rockefeller to keep his business books correctly. Scientists tell us that it is an example which society must emulate if it will preserve itself, and they keep on teaching us this moral long after education and philanthropy have insisted that Rockefeller giving is so commendable as to erase any ethical and social debits in Rockefeller getting.

Looking over the principles of business and life which Rockefeller says have guided him, historical researchers will certainly decide that it was Rockefeller's mother and not his father that served as fountain head of those principles. It was the mother's precept and practice and not some accidental boyish interest that trained Rockefeller in the habit of paying his mite toward Sunday School and church

and that started him in the regular and devoted church life which clearly shaped his reputation and affected his fortune. Surely it was not his worldly father who made him shun dancing and the theater and look for recreation in church activity.

In his immature years Rockefeller must have found the good mixer, good talker, good sport, good shot, good spender and good looker whom he called his father a very fascinating companion. It is a pity that more of his father's travelogues have not been preserved with more of Rockefeller's enthralling mental journeys, together with a frank twentieth century psychoanalysis to show how they influenced the boy's imagination and his thirst for wealth and power. Especially interesting would be a frank confession of just how unromantic, inelastic, trying, perhaps even confining his mother's discipline seemed when felt against the background of this care free traveler from the end of the world out where the rainbow ends in a pot of gold.

No fact about Rockefeller, the world's champion fortune builder and money giver, is so hard to understand as that after benefiting from an early discipline that is seldom shown except by women of surpassing character—and of consistent devotion to a few clear principles of action and of obligation toward offspring, neighbors and God—Rockefeller has not voiced an unequivocal word of indebtedness, gratitude or admiration for that beginning and that mother.

What wonder that Owegans find it hard to understand a famous son who while on a sentimental—and much advertised—journey to his boyhood homes, was not interested in stepping into the public library where among "old home week" exhibits was a rocking chair that had belonged to his mother nearly a century before. It had a special appeal to others. The committee of distinguished city and county leaders who thought they would give pleasure to

Rockefeller by arranging a private view of this particular antique reported that he said he was "not interested."

CHAPTER 15

HIS LIMITED EDUCATION

"ALTHOUGH the plan had been to send me to college, it seemed best at sixteen that I should leave the high school in which I had nearly completed the course and go into a commercial college in Cleveland for a few months." Thus does Rockefeller dispose of his academic education in his reminiscences.

Before going to Cleveland for schooling young Rockefeller had attended one town school and two country schools in New York. In addition he had run away when three to the little school adjoining his birthplace on Michigan Hill near Richford. He came often enough to appeal to the teacher who taught him his abc's, a service of which her grandchildren are proud to-day.

Of his first schooling Rockefeller had the following information furnished for this book in answer to fifty-six questions. From his fourth to his tenth year he attended the one room school just a stone's throw from his Moravia farm home. There were about thirty in the school and not enough older boys to make two baseball nines. Yet he had played in a nine before leaving that section in his eleventh year. The school year was eight months. Winters the teacher was a man; in fall and spring the teacher was a woman. In arithmetic he got "past duodecimals."

It is not true, he says, as a German biographer recently declared, that at this time the *Bible* was the only book in his home.

In the 1840's as again to-day the school was a com-

munity center. It was the church and there as well as at home he had his share of Christmas trees.

Rockefeller's second real school was the River District School but a step from his farm home near Owego—to-day's Hiawatha station. Here he says he went two years and a few months.

His third school was the private Owego Academy. Though he remembers no book up to that time which left an indelible impression upon his thinking he remembers gratefully and vividly two of the Owego Academy teachers—"Reverend William Smyth, principal, and Charles R. Coburn, who taught mathematics." He was never weak in mathematics and cannot remember to-day ever having been weak in any subjects although he speaks of himself as a slow pupil.

He never went to school in Parma or Strongville, the two Ohio homes of his mother while he first attended the Cleveland schools.

From the *National Magazine* of 1904, now extinct, we learn that at fifteen young Rockefeller qualified for high school in Cleveland by writing four essays on *Education, Freedom, The Caracter of St. Patrick* (spelling his) and *Recollection of the Past.* The first two disclose, among phrases suspiciously adult, several boyish thoughts which helped shape the man; the last two, like essays by his classmate and later political playmate, Mark Hanna, big boss of the two successful campaigns to elect McKinley president, suggest the use of others' talents which both boys were to develop to a science in business and politics. That the green country boy was mature for his years and already exhibiting leadership is proved by the twelve old essays of three classmates, each of which bore his handwriting in spots.

EDUCATION

[ESSAY FOR PROMOTION, BY ROCKEFELLER AT 15]

When we look around us and see the continual progress education is making, and also the great changes which have been constantly taking place since it began to rise, we cannot but think every one ought to endeavor to improve the great opportunities which are now offered them.

Had Isaac Newton been an unlearned man, on seeing the apple fall to the ground, would he not rather have eaten it than inquired why it fell?

It was the habit of mind which education gives that led Robert Fulton to discover the great power and use of steam, and if we think of any of the important inventions or discoveries since the commencement of civilization, we shall find that the inventors or discoverers were learned men; hence education is one of the principal causes of rapid improvement in the world. In former times when learning was confined to the monks and priests, then it was that the world stood still, and it was not until the people were educated and began to think for themselves that it progressed.

It commenced to rise, as it were, from the bottom of a high mountain, while ignorance at the top began to descend—the two have long since passed each other, and education, which is still rising, has the top of the mountain in view, and when it reaches that—then ignorance will be at the bottom, and education will reign alone.

This much desired time will be, but is not now, for although ignorance is continually diminishing, it yet rules with a strong hand. There are still millions of people who cannot write their name—they have no thought for themselves but let others think for them.

Such are to be pitied—but their number is now continually decreasing, for there are common schools placed

throughout these free United States, giving an opportunity to every person to improve themselves.

Here are several things which retard the progress of education. I said before that free schools give an opportunity for almost every one to learn, but these are established only in the Free States—at the South they are scarcely known, nor can education reach the poor and friendless slave, for if it could they would find that all men were born "Free and Equal"—they would see their true position and would soon throw off their bonds. In the North, education is fast progressing, but in the South it is not so, for this mighty evil of slavery holds it back, and its bad effects are felt not only among the blacks but the whites also, for by preventing education from spreading among the negroes they keep it in a measure for themselves.

When over three millions of people are thus deprived of every means of improvement the progress of education must necessarily be retarded, and until the curse of Slavery is abolished this unfortunate state of things must continue at the South.

[*National Magazine, July, 1904*] JOHN D. ROCKEFELLER
[1854]

FREEDOM

Freedom is one of the most desirable of all blessings. Even the smallest bird or insect loves to be free.

Take, for instance, a robin that has always been free to fly from tree to tree and sing its cheerful songs from day to day—catch it and put it into a cage which is to it nothing less than a prison, and, although it may there be tended with the choicest care, yet it is not content.

How eloquently does it plead, though in silence, for liberty. From day to day it sits mournfully upon its perch, meditating, as it were, some way for its escape, and when at last this is effected, how cheerfully does it wing its way out from its gloomy prison house to sing undisturbed in the branches of the forest trees. If even the birds of the air love freedom, is it not natural that man, the Lord of creation, should?

I reply that it is, and that it is a violation of the laws of our country and the laws of our God that man should hold his fellow man in bondage.

Yet how many thousands there are at this present time even in our own country who are bowed down by cruel masters to toil beneath the scorching sun of the South?

How can America under such circumstances call herself free? Is it extending freedom by extending to the South one of the largest divisions of land that she possesses for the purpose of holding slaves? It is a freedom that if not speedily checked will end in the ruin of our country.

Cleveland, July 3d, 1854. JOHN D. ROCKEFELLER

From Post Card

ROCKEFELLER WAS BORN IN THIS FARMHOUSE

July 8, 1839. The lean-to timbers and boards have been preserved. The house is on jacks ready to be taken to Coney Island.

© Brown Brothers

POCANTICO HILLS

This is part of 8,000 acres at Rockefeller's main home, overlooking the Hudson.

THE CARACTER OF ST. PATRICK

[ESSAY FOR PROMOTION, BY ROCKEFELLER AT 15]

The first account that history gives of St. Patrick is about the year four hundred and fifty. It is supposed by historians that he was a native of France. In his youth he was carried to Ireland and afterwards made a slave.

Here he was occupied for several years in keeping sheep, but he at length made his escape and applied himself very diligently to study and went to Rome, where he received an education as a Bishop.

After his education was finished, he returned to Ireland, but in different circumstances. From a poor shepherd boy he had become a Bishop, which was, in those days, a very high office. History gives instances of the power of a Bishop being equal to and greater than that of a king.

On his arrival he devoted himself with great success to the conversion of the people to Christianity. They had hitherto professed the religion of the Druads, but in the space of a few years the whole island was converted to the doctrines of the Gospel as taught by St. Patrick. He was far superior to them [in] knowledge and had a great sway over their minds. They even thought him to be a saint. Great stories are told of the wonderful things he did, but a great many of them are hardly creditable.

When we take a review of his life, we can clearly see that he was a man of no ordinary abilities, and that there are few men whose names are recorded in the pages of history that have risen from so low a state to such heights of fame and glory.

[*National Magazine, July, 1904*] JOHN D. ROCKEFELLER
[1854]

At his Cleveland business school he studied "bookkeeping and some of the fundamental principles of commercial transactions." Looking back fifty-four years, he said that this training, in spite of its shortness, "was very valuable to me." He does not say, as does a eulogist in 1926, that he "mastered a full [three months] course in a business college in six weeks."

The plan to send him to college was evidently somebody's else plan. Rockefeller does not say that he ever wanted to go to college or that he was disappointed when some one else changed the plan and put him instead into a business school after two years of high school. He does not imply that the plan was changed for want of college expenses, but elsewhere he has said that his father told him when two years away from college that the father could not [preferred not to?] furnish money for college. As the $1,200 the father furnished for buying a business partnership was more than enough for college it must be that the father thought college a mistake for a good business head.

Rockefeller could easily have earned his way through college at that time, as near-by Garfield was doing at the very time when Rockefeller decided not to go. With Rockefeller's application to business and his ability to win confidence it would have been very easy for him to secure a college education without family assistance.

Why give up college? Not being interested in the law, ministry or teaching, Rockefeller saw no reason for going to college. In his day, colleges were for professionally-minded men. A college course was not thought necessary for highest success in business until two generations later.

No Studying After 16

When Rockefeller finished school at sixteen, he finished studying anything except his own way of paddling his own canoe. He never followed night courses or correspondence

courses. Neither was then a commonplace as are both to-day. He did not read systematically the subjects which are known as the content of a liberal education. His employers did not subscribe for an extension course in business for him. There is no evidence of his having read much of anything except the people he met, his customers, others able to loan him money, his competitors, his business associates, and the book of the life he chose to live.

No one has ever claimed for him an inquiring, studious mind with respect to anything but the two or three sources of money making which he developed. He never restlessly browsed in forty other fields as did Carnegie, Charles A. Coffin and J. P. Morgan. Rockefeller was and is, according to present-day standards, academically an uneducated man. The ineptness of "uneducated" is well illustrated by his case where knowing what there was to know about the oil business, iron mining, transportation and finance, made it of little consequence that Rockefeller lacked academic or collegiate education in those important fields. Education was his to hire.

Before lamenting Rockefeller's lack of formal education in literature, history and the fine arts, foreign languages and the social sciences, philosophy, psychology, and the natural sciences, observers will be careful not to compare Rockefeller with Charles W. Eliot to Rockefeller's disadvantage. It is not at all unlikely that being the kind of a boy he was and having the kind of soul he has always had and the advice he has followed, Rockefeller, at ninety, plus all of Dr. Eliot's learning, would nevertheless be avoiding mental activity to keep himself alive rather than living over again the contents of a five foot library and speculating on the next discoveries by science or the next great moral advances by mankind.

Education by travel, education by friendly contact with strange people and next door neighbors, has not been con-

genial to Rockefeller. Not "taking to" that kind of education, not feeling the need for it, he has not become the kind of man who has such education.

Modern man does not disparage the oak because it does not grow apples, although we do see the loneliness of one oak in an apple orchard.

Highly Educated in Giving

In one field, Rockefeller long ago became highly educated, way beyond the standards of his rich compatriots and vastly above the standards of universities, churches and civic bodies. He has shown himself learned and erudite, philosophical and sound in his conception of big giving. High rank in this field by him is worth vastly more to the world than mere book work by him. Where it would have been easy for him to enjoy being spoiled, he had the courage, the fundamental character, to live and to enunciate principles and facts about giving which are worth infinitely more to society than the greater part of the subject matter cultivated by our bachelors and masters of arts and our doctors of philosophy.

One "Travel Course"

Rockefeller took one short "travel course," however, one short convention course which yielded him more than most students of present-day professional courses in commerce and psychology ever obtain from years of lectures, recitations and national conferences. He was 32 when in 1871 he met a group of eastern, aggressive, glib promoters of a possible oil monopoly. He was a countryman still. It must have been quite an eye opener to a young man only yesterday out of the grain commission business and by this time knee-deep in the oil business, to sit around a table with worldly men who had a plan all ready to put in operation for gently

easing all competitors out of the oil refining and marketing business.

The new competitor-less world disclosed to Rockefeller at this conference was never forgotten by him. He left with no mere academic interest in the facts and principles expounded at the round-table meeting, which we would to-day call a "socialized recitation." Instead, he was the one member of the conference who put his new inspiration to new power and immediate use. What others made a mere academic contemplation, he treated as a "project," to use the word current in the experimental school named after Lincoln which Rockefeller has endowed for Teachers College of Columbia University. He went right straight back to Cleveland and by the time the bubble burst for others, he was master of Cleveland's oil business and by all means the largest refiner in the United States, which then necessarily meant the world.

Rockefeller's Susceptibility to Playmates

VERY little is known of any bad playmates in Rockefeller's boyhood. From the results, however, it is plain that they could have had little influence upon him, for he could certainly not have attended to business and church work so successfully if his thoughts and actions had gone wandering to evil or time-wasting associations.

In his long life there is very little evidence of his being influenced by his associates. The most striking of all exceptions is his contact with Dr. F. T. Gates who seems without a doubt to have inclined Rockefeller's philanthropic twig the way Rockefeller's philanthropic tree has grown.

The above mentioned travel course is the sole instance when Rockefeller while away from home picked up a germ of conduct which the world calls bad. It was a virulent germ and powerfully affected history for him and the world.

Incidentally, it was the particular germ that, at a critical time in the tides of oil and railroading, gave the Rockefeller fortune its supreme chance to be the world's largest for forty years.

PART THREE
The Champion Fortune Builder

16. Rockefeller's Business Ladder
17. The First Job
18. His Biggest Business Thrill
19. A Soliloquy in 1872
20. Indicted for Criminal Conspiracy
21. Ineptly Questioned
22. A Prize Witness for Himself
23. Records Not Demanded
24. Outwitting Germany
25. "Balance Forward 1929"
26. Annexing an Iron Fortune
27. The Easy Art of Getting
28. The Concentrator
29. Bookkeeping for Vision
30. Efficiency in Business
31. His Self-Appraisal
32. A Dreadful Background
33. A La Railroads in the '70's
34. He Utilized the Background

CHAPTER 16

ROCKEFELLER'S BUSINESS LADDER

THOUGH the tallest business ladder of all time up to his final retirement in 1911 Rockefeller's business ladder really had but seven rungs.

September 26, 1855 when 16 he took his first business job as errand boy and clerk for a firm in Cleveland, Ohio, that sold produce both retail and wholesale.

In 1858 when almost 19 he bought a half partnership in a produce business that combined retailing with buying and selling on commission for out of town sellers and buyers. Old advertisements say it dealt in "grain, fish, water, lime, plaster, coarse fine solar and dairy salt."

In 1862 when 23 he branched into oil refining and marketing as an experiment but without burning his produce bridges behind him. Oil refining was but three years old. "Almost every one" was trying it. Rockefeller believed in taking the waves ankle first instead of head first.

In 1865 when 25 he went into oil for all he was worth and stayed there for the rest of his business life. To extend his business he borrowed. With new capital he took in his backer's representative, Henry M. Flagler, and later the backer himself, S. V. Harkness. He concentrated on oil. No other business took his thought. Not until the late eighties did other enterprises take any of his money. He was not a speculator. He invested in various industrial enterprises as an outlet for a surplus income not needed to expand the oil business.

In 1870 when 31 he organized the Standard Oil Company

of Ohio, combining several Cleveland partnerships, with himself as president and master mind. He was undisputed oil king within two years. When absorbing competitors he scrapped unnecessary plants, but retained and enriched brains and executive ability, making every leader rich who went with him.

In 1882 when 43 he organized the Standard Oil Trust with nine trustees and himself as president and master mind. He was now world emperor of oil. For thirty years his oil trust was the dreadnought of the oil trade, the black devil of politics, the envy of predatory business, model for good and bad trusts, and stimulator-in-chief of punitive and remedial legislation. His trust was intangible, unlocatable, unarrestable, owned nothing, made nothing, sold nothing, told nothing, trusted almost nothing to paper. Yet for a generation it ruled the oil world, the railroad world and much of the banking world, political world and newspaper world.

It was a point of view, a gentleman's agreement, "[many] souls with but a single thought," a new method of co-operation that beat modern football for its mass play, interference, end runs and goals from the field.

It evaded and broke old common law and specially made statute law like the Sherman Anti-Trust Act, but so subtly that even a trustbusting era almost failed to prove its illegality. The same men owned many oil companies—usually but not always called Standard—each of which had its own officers. They centralized vision, finance, policy. They decentralized execution. The power was central, the blame was local, the profits went to all stockholders.

They agreed in the Standard Oil Trust how to help one another fix prices, make money, weaken competition, reduce costs, extend markets and deepen the channels of trade. Then they independently executed, each his part of the

agreed upon program and obediently but gratefully accepted the distribution of profits made by the men who were trusted through this *trust* to represent the group's interest, study the group's problems and multiply the group's profits.

Insiders trusted their all to this trustee or trust. Outsiders including railroad and government officials learned by misfortune not to trust it at all. "It accomplished by strategy what could not be accomplished by assault. . . . It did indirectly what it was prohibited from doing directly."

Ohio banished it in 1892, but its work went on till 1911 when the United States Supreme Court outlawed it.

Its policy was applied later to Rockefeller foundations. Legally and ostensibly independent they all centered in Rockefeller's own office, especially the financial and publicity control.

In 1894 when 55 and about to retire from active business he annexed a second huge fortune by extending his ownership of iron mines in Minnesota until his holdings became necessary to the success of the mammoth steel trust organized by J. P. Morgan early in the twentieth century. In this master stroke Rockefeller did the final selling himself despite his alleged complete retirement, but did the earlier extending through his chief almoner Rev. Frederick T. Gates.

In 1895 when 56 he tried letting his business ladder stand without his constant attention. He withdrew from active control of business affairs without, however, advertising the fact to the business world. He retained the presidency.

In 1911 when 72 after hearing the United States Supreme Court rule that he had been an unfair business builder for forty years he formally retired from even nominal contact with his business ladder.

En route from messenger boy to oil king and iron ore king Rockefeller did not play octopus. He did not seek con-

trol of railroads and other industrial enterprises. The fact that he was suspected of using his unquestioned power that way shows that it was a natural ambition for an octopus-minded man. Rockefeller's mind was neither versatile nor fickle enough for such scattering attentions.

Although no scatterer of energies and loyalties Rockefeller became a scatterer of investments. There was no other way for him to keep his money productive without also scattering attention and responsibility. He could not put his all in oil without expanding faster than returns could justify or without buying his partners out. That would have wrecked the vast spiritual machine which he had built up with former competitors and would have required him to give hours to business that he preferred to give to what he later called "soldiering" at home.

Thus Rockefeller's business ladder grew like Jack's bean stalk and carried him with it. There was no toilful climbing round by round up a ladder all pitched and spaced when he began his climb. He started as Henry Ford did a half century later on a business ladder which mankind's demand for a simple utility rapidly pushed to the skies. Rockefeller like Henry Ford kept his balance at the top of this ladder.

As a clerk Rockefeller's pay rose from about six cents an hour, $50 for fourteen weeks, to about 22 cents an hour, $58 per month.

As a young partner selling produce straight to customers and on commission his earnings quickly rose until he paid a Civil War income tax of $17,000 in one year and was one of Cleveland's rich men with financial credit at the banks and character credit among church and business leaders.

As an oil man his income jumped like the Jack's beanstalk that made his business ladder. By his 33rd year, in 1872, as world champion refiner and marketer of oil and with the methods he had decided to use, he was destined

to be rich "beyond the dreams of avarice" and beyond the power of his fellow man to comprehend.

Had Rockefeller never gone into oil he would have been a very rich man. He was in the path of his country's growth. Cleveland and its tributary territory needed the service and the goods he and his partner advertised when Cleveland's population was under 20,000. He had the qualities that compelled confidence and invited money. As a commission merchant he could never have been the arch monopolist because the commission business did not lend itself to cornering. But he would have become enormously wealthy.

How he became oil king and the symbol of predatory business is detailed later. It is important here merely to record that his ladder was not made of silk and sprayed with odor of rose leaves. On the contrary his road to riches and fame was thorny and malodorous. Few men in all history have weathered such storms and suffered such hatred as did Rockefeller while riding with his business ladder. From 1872 before he was thirty-three until he was seventy-four in 1913, when Congress refused to charter his $100,000,000 foundation, he was dreaded and condemned by more fellow citizens more of the time during more years than ever complimented any other American by such sinister attention.

For nearly ten years, 1872 to 1880, he fought for his business life. They were tempestuous days. The decade was so corrupt that it is known as The Dreadful Decade. He was investigated, reinvestigated, investigated again, "dared" to "show his face" in the oil fields, treated with fear and respect when he did show his face, indicted for conspiracy and almost tried, but always "went along about his business" as his father had disciplined him to do. He did not defend himself. He did not carry the war into the press. He kept still but kept right on making money and getting his fist

around the world's oil trade. "Those were sagaciously silent and widely opulent days."

How it was done and how his business ladder climbed from storm to calm and from public censure to public adulation is described in the episodes that follow.

CHAPTER 17

THE FIRST JOB

HIS last twenty years Rockefeller—known to the whole world as "John D," oil king and its first billionaire—has celebrated the anniversary of his first job, September 26, 1856. He calls that the most important event of his business career.

He has publicly shown more sentiment about it than about his birthplace, friends or family.

No other milestone of his moneymaking journey, and it was one of the stormiest in all American history, has caused him so many memory thrills since he gave up active business in 1895. In fact he and his biographers have made so much of it that its anniversary has become a national event to be telegraphed about by news-gathering agencies and described in newspapers and magazines. Yet they always leave out the most interesting part of Rockefeller's first job and that is its bearing upon his and anybody else's success in business.

Not a Nibble in Six Weeks

THE story runs thus: For six long weeks, sixteen-year-old Rockefeller, fresh from business school after fourteen years of farm life and two years of city high school, looked for work up and down the streets of Cleveland, Ohio, then a city of 17,000. Not a nibble in six weeks!

Then on September 26th just before noon he was told

to come back after dinner for a try as clerk in a grain and produce business. Not a word was said of pay. He asked no questions,—the only time he ever let any one get three months or three inches the start of him in business! After fourteen weeks he was paid $50 and raised to $300 a year.

There the story usually jumps to his saving, his putting a penny in the church plate every Sunday, his uncountable fortune and his world record as money giver, but without showing what his first job had to do with his champion fortune building.

The Best Story Omitted

As job finding goes that is not a very exciting story. This very last summer of unparalleled prosperity boys and girls by the hundred thousand have had more adventure and more discouragement than Rockefeller had in 1856. They just had to find work; he could wait. Many of them faced starvation or eviction if they remained idle; he faced no such alternative. They felt they had to take the first thing they could find no matter how unpleasant or unpromising; he could pick and choose. They had to know in advance what their pay would be and when it would come; he patiently waited fourteen weeks. Many had to take less in purchasing power for their labor than his first pay when board cost but a dollar a week. No, John D.'s adventure has special interest for what he was thinking before his first job and what he did with it rather than for any difficulties in getting it.

12 First-Job Characteristics

It is of course interesting that the world's greatest fortune had so humble and humdrum a start. It is also fortunate for Rockefeller's reputation and for young people courting success that this start had nothing to do with oil and came before oil was found in spouting wells, because we can

now see qualities that prepared him for success entirely apart from any questionable methods he later used in beating oil competitors. No matter what courts, competitors or economists say about the way he finally became the world's champion fortune builder the following dozen characteristics of John D.'s attitude toward his first job have a personal interest for every kind of person on any kind of job anywhere in the world.

1. *He wanted to work.* He went to work not because he tired of school or because his family needed his earnings or because he himself wanted spending money, but because he actually wanted to work. It never occurred to him that there was any other road to a livelihood or public esteem but work. He covered a twelve weeks' course in business school that summer in half time, so eager was he to start the game of business.

2. *He had decided preferences.* He had thought a lot about what he wanted to do. He didn't wait for some one else to tell him what kind of a fellow he was, and how congenial or uncongenial different jobs were apt to be. He thought practically about his own future. He didn't want farm work; he was positive about that. He had lived in farm houses fourteen years. His uncles, grandparents and cousins were farmers. He wanted to be a city man like those he had seen when ten years old while on a visit to Syracuse with his father. He didn't want to be a retailer. Only wholesaling for him, although if he had to he would compromise on banking which he considered nearer wholesaling than retailing. His first job was with a firm that combined the two.

3. *He prepared.* He wasn't entirely green. He could keep books. He could clerk. He could load and unload produce. He could run errands. He took a special course in preparedness. As said above he worked at it so earnestly that he finished it in half time, thus especially preparing his attitude

for success on his first job. He applied then for work he could do well. To-day employers want more general education than Rockefeller had. Few boys or girls to-day are as prepared for working and living as Rockefeller was at 16 unless they have at least finished a high school course.

4. He pursued his goal. He didn't seek a job hit or miss fashion. He concentrated, systematized, persisted. He went the rounds of the people he wanted a job with. That took a week. No luck. He went the rounds again the second week. Still no luck. The third, fourth and sixth weeks he went that same round, for was not some one of all those firms sure to want a big strapping fellow with farm-bred endurance and with desire to work? There was no employment agency and no vocational counselor at school. He had to do it all himself. He stuck until he won. Had wholesalers failed him he had a whole city of retailers left.

5. He sought a test. He wanted to learn for himself and to show others what he could do. What and when he was to be paid seemed a trifle compared to this. So generations later, also, many of the boys and girls who will rise highest in business have been caring far more for their first chance than for their first pay.

6. He liked his job. Even the unpleasant parts of it interested him. It was his adventure, just as every other boy's first job is an adventure towards self-education and opportunity. Even if it leads nowhere else it leads to the best that is in himself. Rockefeller's first job had variety, but his method would have found variety and open doors where too many first jobbers find only monotony and blind alleys.

7. He studied his job. He was curious about the business of which his first job was only a corner. It was now his business. He was part of it. All roads for him led from there,—a simple lesson in economic geography which all workers on all jobs can well afford to learn from the world's first billionaire. Had he merely done his own clerical and

messenger work well without wondering what it was all about his employers would not have found him too big for that first job in just a few months. He was keener about growing than about getting and playing. He was no clock nurse. He came early. He stayed late. He wondered about things when he walked home. He was always exposing a little more shoulder ready and eager for more responsibility. The same quality is promoting boys despite peace work and so-called blind alley jobs everywhere.

8. He studied to win people. He liked the people he met in business. He was not what we now call a "mixer," except when he wanted to win people. He didn't go around whacking people and calling them by their first names the first time he met them, but he did study those with whom he had dealings. If customers were cranky he found it interesting to please them and get what his employer wanted. If they were genteel and considerate to an unimportant country boy he wondered how they "got that way," and copied them. All were a study and helped him study himself.

9. He welcomed criticism. He did not call it being "bawled out" when he was corrected. He was not "bored stiff" when shown how and how not. He looked on supervision as a ladder to a supervising job. Sure enough, that is exactly what did happen. When he was 17 his immediate boss, a partner, left and the young clerk who had been hired for what too many find only a blind alley job, took the partner's work, though not quite all the partner's pay. It is true that it was easier for Rockefeller to take criticism than for many young people because his body did not get mad and excited as if his heart were on a hair trigger. This advantage he carefully cultivated on all his jobs. He had no "goat" for others to "get."

10. He was attractively polite. He was not merely courteous, he was noticeably polite. He felt polite. When others lost their tempers, he became more polite. He took no of-

fense when turned down for a job. He gave none when he came back the sixth time to the same man. His manners and attentiveness inspired confidence, especially among his elders, who do most of the lifting and pushing of young workers. That is why when barely 18 he was elected trustee of his church and given leadership in a buttonholing drive to pay off its mortgage. Strangers liked his deference to people who were older and to those who knew more than he did. They liked his modesty combined with quiet confidence. Friends liked him for increasing rather than losing his politeness as he knew them better. Later when the biggest boss in the land he was noticeably polite to business intimates, including employees. He asked men if they had thought of this or that possible improvement, although he had the right to tell them to improve or get out. That is why he was able to be polite to cross-questioning lawyers and reporters who hoped, by "treating him rough," to make him angry and were always disappointed.

11. He dressed with noticeable neatness. With all his simple living, he was "dressy" for his time, which was a time of much greater formality and dignity in dress than we know to-day. Dress did then actually "proclaim the man." He now calls it an extravagance that he paid almost a week's wages for a pair of gloves. On the contrary those gloves were probably one of the most profitable money investments he ever made, because they were an investment in character and reputation, a symbol of his ambition.

12. He studied his mistakes. Instead of being always in the right when he failed to please an employer or customer he went to school to his mistakes. He asked himself what the matter was with the way he started the last mistake. To-day we call that practice by big names like self-analysis and psychoanalysis; he called it "intimate conversations with myself." Especially after he saw that he was going to be a very rich man, he tested himself each night, not to

worry over spilled milk but to caution himself against spoiling it all by getting "big head." Each new success he treated as a reason for being more careful and efficient.

Lightning Rods for Success

How did Rockefeller come to those qualities when only 16? We know he could not have gotten them from observing other successes for he had never known any. When he was a boy just before and after our war with Mexico, living on New York and Ohio farms three miles from town meant living a million miles from electric or even gasoline light, and farther still from autos, telephones, radio, night school, correspondence school and the consolidated school such as now gives farm children by the hundreds of thousands many social advantages of town life. An exceptionally strong mother was the principal architect of his character. His father's maxims and travel stories helped him study people. His physical make-up fostered self-control and thoughtfulness. Wherever he acquired the qualities they were lightning rods down which his fortune started.

Rockefeller's getting his first job was a great event for him, not because it came after six weeks of tramping but because it gave him a chance to prove the stuff that was in him,—a chance to discover what he was made of, how he would carry responsibility and whether he would quickly outgrow his first job.

CHAPTER 18

HIS BIGGEST BUSINESS THRILL

ROCKEFELLER'S most thrilling business experience was in the two months of February and March, 1872, just before and just after oil producers and competing oil refiners learned by a fluke that their own freight rates were

to be doubled to the enrichment of Rockefeller and twelve other "inside" refiners. The plan is now as notorious in economic history as is Germany's submarine policy in Christian warfare.

Rockefeller's generalship in these few weeks showed that the army lost a master tactician when he stayed in business. He won his world championship as fortune builder right there. He kept his head; he kept his temper; he kept his goal; he kept the Cleveland press; he even kept many of the special advantages which his own associates in secret contracts with railroads dropped like a hot poker when the secret was prematurely advertised.

It was no mistake of Rockfeller's that let the cat out of the bag. It was due to the two unexpected moves by Lady Luck, mentioned later, that higher rates for oil were first rumored and prematurely published February 26. Oil shippers were struck dumb and furious. The thrilling story is told by Lloyd and Tarbell. No other mania except war mania ever swept over great sections of our country as did the excitement of what is now known in history as the "Oil War of 1872."

After the storm had passed the following facts recorded it like photographs. No one now denies them. The contract they concern was republished for wide circulation in the Tarbell history. Rockefeller's prominence in the present summary is due to his later achievements and his actual but unrealized "displacement" in the oil industry. At the time, he appeared outside of Cleveland to be a follower rather than a leader, although toward the end he was called and blacklisted "one of the arch conspirators."

Late in 1871 Rockefeller accepted an invitation to meet some refiners of Pittsburgh and Philadelphia to talk over certain common problems. This meeting away from home, which seems to have been the first time Rockefeller cooperated on a national program, although he had proposed

his Cleveland method to the same group, resulted in a Pennsylvania law, in an oil war, in Rockefeller's obtaining twenty of twenty-six rival companies in his home city, and in nurturing an idea that later became the world's most famous monopoly, Rockefeller's Standard Oil Trust. All of this from one meeting, although the proposed combine was never finally organized, never did any business, never in fact even distributed stock, although 20% on the shares was paid into the company's treasury.

After later meetings thirteen men, controlling together 10% to 12% of the refined oil trade, became the South Improvement Company for common offense and defense. Rockefeller was elected a director but neither president nor secretary. He took 180 of 2,000 shares of which five men took only 10 each. Three of his Cleveland partners took 180 each, making a total of 720 or 36% of 2,000 shares held by Rockefeller and his home group.

On January 18, 1872, eight men for this South Improvement Company signed a contract with the Pennsylvania and New York Central companies and connections, five railroads. It provided that freight rates on crude and refined oil should be advanced around 100%; that only shippers outside the South Improvement Company should pay the advance; that insiders should not only be saved the advance for their own shipments, but should get whatever advance was paid to railroads by outside shippers; and that the railroads would do everything they could legally do to weaken outsiders' competition with Rockefeller and the South Improvement Company.

Rebates and Drawbacks

For example, any outsider was to pay 80c. a barrel for shipping crude oil from the Pennsylvania wells to Cleveland. Insiders were to be nominally charged 80c. but pay 40c. This started the insider with a half rate—"rebate" of one

half—but that was not all. If the outsider could survive and pay 80c. a barrel while insiders were paying only 40c. his extra 40c. was to be paid not to the railroad but as a "drawback" to Rockefeller and fellow insiders.

To avoid slips the railroad promised to send daily to Rockefeller et al the following facts about competing shippers: the name, the place of shipment, the kind and actual quantity of goods shipped, whither shipped, the rate and the gross amount of freight and charge.

Rockefeller et al were to bill themselves and take out of amounts due the railroads the 40c. a barrel saved on their own freight and also 40c. per barrel for competitors' oil.

A special clause in the contract provided that the railroads were to be careful to keep within the law. They were to do what they could do legally to help the combine beat its competitors. To be literally fair, the railroads were to give just as low rates to any shippers outside the combine who could offer as much business.

In other words *if the railroads and the combine working together could not keep the combine's competitors from equaling it, then the outsiders could get equal or lower rates.* It was just as legal and fair as that. If there was any way by which "my charming daughter" could "go out to swim" without going "near the water," the railroads and the Rockefeller combine legally insisted upon her right to go out and swim and upon their intention to help her enjoy her swim if together they couldn't keep her from going near the water.

The above arrangement leaked out a little at a time. The essence of the story was quickly grasped. It will help the reader picture what happened if he will imagine himself reading a public notice to the effect that, from now on, a half dozen of his neighbors and competitors are to be allowed to travel on the street cars or railroads at half fare and on

top of that are to get back into their own pockets half of all he pays for his own fare.

Remember these were the days before equal rates on railroads were a matter of written laws with an interstate commerce commission to enforce them. A former freight manager confirmed in 1929 a claim that in the late 1870's a 22c. a barrel advantage given to Rockefeller for one twenty-five mile haul.

How Rockefeller's competitors and the men who sold him crude oil talked about his promised favors from railroads is shown best by quotations from a few actual participants in his most thrilling experience. The main storm centers were Oil City and Titusville in the Pennsylvania oil regions, with anti-combine refiners in New York City, Philadelphia, Pittsburgh and Cleveland egging them on.

For reasons which were realized when the secret contracts were drawn, they could not survive the light of day. The rates were prematurely published February 26. Indignation mass meetings started next day. The railroads first denied, then disavowed, then canceled. President Vanderbilt who signed for the New York Central testified in 1879 that he would have sworn he never signed if he had not seen his signature—he may have signed without reading it. The Pennsylvania legislature had to investigate. Congress had to start investigating March 15, but after a few gestures stopped and allowed the minutes to be lost or stolen. March 26 the railroads promised no further rebates, drawbacks or other inequalities. The Pennsylvania legislature repealed the South Improvement Company's charter on March 30, 1872, which a previous legislature had passed May 6, 1871.

Thus within three months of its forming the South Improvement Company germ was dead as a doornail everywhere except in the public memory and Rockefeller's intention. Lloyd satirically characterizes the ostentatious abandonment of this scheme as follows: "Mark Twain, in

describing the labors of the missionaries in the Sandwich Islands, says they were so successful that the vices of the natives no longer exist in name—only in reality. As every page will show, this contract no longer exists in name, only in reality."

The Charter's Origin

WHO engineered the chartering has defied all research for two generations. The accepted story has been that the charter was granted to a group that had no idea of using its broad powers for the special benefit of the oil trade. They were simply given a charter to do under the name South Improvement Company everything under the sun which the legislature of 1870, April 7, voted to "The Pennsylvania Company," first cousin to the "Pennsylvania Fiscal Company" chartered by a Pennsylvania legislature in 1859 and renamed the "Credit Mobilière," which broke into malodorous fame in 1872. Not seeing any other use for their powers, they sold out to the oil combine. It may now be said on no less authority than Rockefeller himself that the charter was one of several blank checks secured from the Pennsylvania legislature by President Thomas Scott of the Pennsylvania Railroad. It was "up his sleeve" for any emergency. He handed it to the Philadelphia and Pittsburgh refiners who were consulting him about oil difficulties. He said that with it "you can make money and so can we." He preferred a Pennsylvania "home made" plan under his railroad's patronage to the Cleveland plan which Rockefeller had unsuccessfully offered the Pennsylvania refiners and which in effect stipulated leadership by Rockefeller, not yet a shipper over the Pennsylvania.

Under the Pennsylvania or South Improvement Company the nominal leadership was in Pennsylvania and Rockefeller only an "also ran." Moreover the main reliance was upon special railroad favor, in return for a fixed proportion

of shipments among railroads, whereas the Rockefeller or Cleveland plan relied mainly upon the money making superiority of coöperation over competition, of conservation over waste, of concentration for their own business over concentration against competitors' business, of larger over smaller shipments. The Pennsylvanians wanted a submarine torpedo boat against competitors, the Rockefeller group at that time said they wanted a lifeboat against competition.

Rockefeller used rebates two years before the South Improvement Company, but they were earned more nearly than the South Improvement scheme prescribed. He actually saved railroads money by shipping regularly whole trainloads; by releasing railroads from all liability for fire and wreckage; by providing his own expeditious and specially adapted terminal facilities. The railroad itself insisted that this rebate for quantity and for service was the turning point which gave Cleveland a chance in the oil export trade.

In lower prices for such service (he doesn't like the unfairness connoted by the term rebates), Rockefeller believed and still believes. In his reminiscences he claimed that in spite of rebates the railroads made more out of his shipping than out of "smaller and irregular traffic." He does not, fortunately for his sense of humor, assert that the stockholders of railroads made more out of special favors to him than they would have made out of his larger and regular traffic without any rebates beyond provable advantages to railroads from methods and facilities peculiar to his shipping.

In the projected unearned rebates and banditry of the South Improvement plan Rockefeller insists he and his associates never really believed, although his Cleveland newspaper backing wrote before the exposure that the South Improvement Company was a "legitimate reply to the desperate attempt" of the oil regions to "swallow up" [Rockefeller's refining] and had "proceeded in a conspicuously

fair and liberal manner . . . secure in its position and confident of ultimate victory." He went into it in order to retain working relations with Philadelphia and Pittsburgh refiners whom he needed in his own combine. Especially, as he testified in the federal case decided against him in 1911, "We deemed it better not to break with the powerful Mr. Scott." Staying out might provoke more bitter competition. Staying in would leave Rockefeller free to say, as he actually did say within two years: "Now we have tried your idea and failed. Won't you try ours?"

There is no record of Rockefeller's contribution to the planning except by inference. Judging from the rest of his life, he helped underscore the secrecy which was pledged and probably insisted upon saving the face of railroads and himself by inserting the expression "whatever can be done legally."

Rockefeller A Phenix

When the legislature repealed the boundless powers of the combine's charter, it did not repeal or obliterate Rockefeller's taste of what special alliances with railroads would do. All the complicated plan collapsed so far as it affected other companies than his, but only in details did it collapse for him. The oil regions, right on the heels of the charter repeal, began speaking of Rockefeller's Cleveland company as successor to the South Improvement Company sending its agents into the oil fields "with soft words and plausible arguments." Rockefeller was reported in the oil region press to have declared that the South Improvement scheme could work under the charter of his company and to have predicted that within less than two months the oil region opponent, to whom he said it, would be glad to join him.

During all this commotion later partners of Rockefeller in similar exploits were assuring the oil regions that they had absolutely nothing to do with the South Improvement scheme for rebates on Rockefeller shipments and drawbacks

to him on his competitors' shipments. "My sympathies and interests are opposed to it," one wrote the local paper. John D. Archbold himself, a later partner, refused to join "so iniquitous" a scheme. H. H. Rogers, also a later partner, telegraphed from New York:

"If your producers are determined to have no dealings with *the enemy,* it will be very important that your executive committee exact from purchasers of crude oil a pledge that they will sell no oil which will reach your opponents. While we are willing to do anything to further the cause, it seems a simpler way to have the pledges made by the producers' committee."

Five days later Rockefeller himself telegraphed the producers that his company held no contract with the railroad companies or any of them or with the South Improvement Company and that the contracts between that company and the railroads had been canceled. That same day Rockefeller found one producer to sell oil to his company and local papers announced that Rockefeller himself was expected in Oil City the next day. His wedge was driven. Producers lacked a leader to do for them what Rockefeller was doing for the Cleveland refineries in his own company. Soon Archbold and Rogers joined him. He broke away from the mix-up, carrying the ball for a touchdown. Eight days before he telegraphed that he had no contracts with any railroad company, he was getting a rate—according to one of his Cleveland partners, Henry M. Flagler, to an Ohio legislative committee in March, 1879—which was 25c. less than the rate the railroad and oil men had agreed upon a week before.

The success with which Rockefeller became inoculated with this bad germ of beating competition by special favor from railroads proves again what history reiterates, that he who makes new use of an old idea is often a far more important inventor than he who originates the idea. For Henry

Ford, with his methods of business analysis, to find out in 1926 how to ship eighteen cars in space formerly required for one car is quite as important as to invent a car and vastly more serviceable to humanity than many automobile inventions.

The harvest reaped by Rockefeller out of a germ which he himself considered bad, did not trust, did not believe in and did not have confidence in, makes an impartial observer wonder how much of a fortune he could have realized from an idea, good or bad, in which he thoroughly believed.

Some future Henry Ford researching into the origins of parodies on "Mary Had a Little Lamb" may discover that it was Rockefeller's following the Pennsylvania refiners in the South Improvement scheme which evolved the following:

"Mary had a little lamb
Whose fleece was white as snow.
It followed her to Pittsburgh one day
And look at the darned thing now."

CHAPTER 19

A SOLILOQUY IN 1872

SOUTH Improvement Company and Self-Intimate Conversations may easily be remembered together. The following intimate talk with himself has not yet been included in any of Rockefeller's autobiographical statements, but is historically true to type:

Just where am I tonight, March 30, 1872, now that the South Improvement Company's charter has been repealed by the Pennsylvania legislature? How far have I come? What can I do next which will find favor in the Lord's eyes and use the kind of man I am?

I am almost thirty-three years old. I am strong physically and can work harder than most men I know, or at least can

enjoy hard work for longer hours. In most things I am ordinary or at least seem to be easily outstripped by the men I meet. My friend and partner Flagler certainly has more imagination than I have and sees new and big chances in our oil business before I do. Yet I seem to see just as far, just as big as he does after he tells me his new dreams,—and without believing as many impracticable things as he does before I show him where they won't work.

These Pittsburgh and Philadelphia men I've been meeting on the South Improvement scheme are far glibber talkers than I am. They make me feel as bashful about talking in company as I used to feel when mingling with the Owego Academy boys after walking three miles from our little farm house, or when I first began going to my Cleveland church. Yet somehow the few times I did speak those glibber talkers listened to me. It was on my suggestion that they put in the idea that railroads should do only what was legal in helping us beat our competitors.

The thing that stumps me is that I was the only one who came out of this hurricane any better off than when we all went in. What does that mean? Evidently the others kept putting off getting started, I suppose that's it, while I never let any moss grow under my feet. I went right back to Cleveland and talked twenty of twenty-six competitors into getting out on my terms. Why, when I come to think of it I am right now the biggest oil man in the country. And as sure as I'm alive, this means that at only thirty-three, without an education, a country-raised boy, in seventeen years after starting to work at four dollars a week, I am the biggest oil man in the whole world!

I Want the Lion's Share

I wonder how much that really means. Flagler says it means tens of millions of customers who want our oil. Flagler says we can get not only a world market but the lion's share of it for ourselves if we buy out a few more competitors or persuade them to join with us. Now that this South Improvement plan worked wonders before we had anything but the promise of lower freight rates, I can see what a big lead we'd get if we actually had lower rates than our competitors.

That's why I have arranged for secret rebates to start again to-morrow. Think of that and within a week after the railroads promised never to give another rebate!

Do I want lower rates, I wonder, if I have to be talked about the way the oil regions and refiners like Mr. Backus here in Cleveland, that man Archbold in Pennsylvania and the New York mass meeting called by Mr. Pratt and his manager H. H. Rogers, talked about me this last month?

Can I as a Christian who believes what he professes go on getting lower rates which are called "iniquitous" and a "conspiracy"? How much is there in that criticism of us and the railroads anyway?

First of all we did nothing illegal. We had that in the contract. There's no law to prevent railroads from giving different rates to different people any more than there are laws to compel grocers to charge all customers the same price or to compel preachers to treat all church members the same. After such laws are passed it will be time to worry about breaking the law.

How about unfairness? Is it true that what they call common law requires so-called common carriers to treat all shippers alike? Suppose it does. There's a long jump between requiring on paper and requiring in actual rates paid. Why, everybody knows that railroads are cutting rates in every line and at every station where they have a competing line against them.

Am I my railroad's keeper? I certainly am not. That's the way they do business. You have to fight fire with fire. If I don't get lower rates than my competitor he will get lower rates than mine. My going without them and calling them iniquitous won't prevent them. The question is, should I get them or let my competitor get them? Anyway we covered all questions of lawfulness and fairness by clearly saying in the South Improvement contracts that any one who offered as much business and as many facilities as we did should have the same rates.

I'm Not My Competitors' Keeper

Clever? Yes, that was really pretty clever. Yet I was serious enough when I suggested it. I really meant to be more than fair to my competitors. I wanted to show them

we stood for a principle, the superiority of coöperation and the cheapness of large business. I nearly backed out when that Philadelphian they called the parson drawled out: "By all means put it in—

> 'Mother may I go out to swim?
> Yes, my darling daughter.
> Hang your clothes on a hickory bush,
> But don't go near the water!' "

Yes our "equal rates for equal business" was exactly like that, or would have been once we got a month's start.

How about my competitors? Am I their keeper? Is it fair and Christian to take advantage of them? So far as my neighbors in Cleveland are concerned, I gave them a chance to come in on the ground floor. What could be fairer than that? To be sure I took them in at my appraisal of their business—watched by them, however, step by step—but no one could have expected me to pay them for values they couldn't possibly have when I had them beaten a mile. I certainly had a right to some pay for having engineered those lower freight rates for Cleveland oil.

Anyway, business is war, at least competition is war. The golden rule of business is, Do your competitor first or else he will do you. I have studied and prayed over this problem and have talked with my pastor about it. When you boil it all down the *Golden Rule* of the *Bible* just can't be fitted to competition in trade farther than the law goes. I'm not responsible for the law. If I'm in business, it's for my profit and not for my competitor's profit.

I Have a Higher Duty

The more I study it, the more I believe Flagler is right about my having some higher duty than merely to make money. There's no question that the whole world needs oil and is willing to pay for it. If we went out of the oil trade to-day, what would happen? I know in the bottom of my heart that oil would go up in price and down in quality. None of them are marketing it as cheaply as we are where there is competition. Not one of them hates waste as

religiously as I do. Their fighting or competing raises costs. Our coöperating lowers costs.

If cutthroat competition ruled the oil trade, the people of the world would suffer. Once in a while, here and there, prices would be lowered by unregulated competition, but most of the time, everywhere, prices would be higher because costs would simply have to be higher and fewer people could afford to buy.

That's only for refined oil. The poor drillers for crude oil honestly believe they benefit from cutthroat competition among refiners. But they fool themselves. Unless refiners make money, then sellers of crude oil must see their prices go down to bankruptcy levels.

What would the Lord have me do? These lower freight rates I get again to-morrow must be secret. If I go on taking competitors into our company and thus widening coöperation, that too must be secret while this anti-monopoly craze lasts. Would the Lord approve such secrecy? Does the end justify the means?

As I search my conscience, I can't help feeling that it would be cowardly to withhold light from maybe tens of millions of people for fear of personal unpopularity.

World light is surely more important than world ignorance about the value of coöperation in furnishing any world necessity.

Economic law is more sacred than statute law, even if there were any statute against lower freight rates, which there isn't yet.

It is no favor to humanity to keep alive refiners who study their business so little that they don't even know when they are losing money. Progress and service are more important than competition. Besides, why can't we get competition in rendering service rather than in price cutting?

I'm Not Afraid of Success

If we get control of the oil business, as Flagler says we can, I know that I shall keep on hating waste and vulgar show. I know that I shall not waste my substance in riotous living and shall think more about extending oil markets than about making more profit for myself. The world will

be vastly better off if I keep the lead. I shall start again to-morrow.

Had Rockefeller been a Shakespeare devotee he would have concluded this intimate conversation with himself:

> "We must not stint
> Our necessary actions, in the fear
> To cope malicious censurers . . .
> If we shall stand still
> In fear our motion will be mock'd or carp'd at,
> We should take root here where we sit . . ."

April 1, 1872, one week less a day after oil railroads promised producers to give no more secret rates, he began getting a rate twenty-five cents a barrel less than any competitor could get. Intimate personal conversations with himself paid huge dividends.

CHAPTER 20

INDICTED FOR CRIMINAL CONSPIRACY

IN Roosevelt's Provincetown address of 1907, two years before Rockefeller's *Reminiscences* and the year Rockefeller declined to go to the White House to talk over his violation of the anti-trust laws, Roosevelt said:

> "There's a tendency on the part of wealth to claim that its innocence is established because its guilt has not been established or because acquitted of specific charges for want of adequate evidence or because of defects in legal procedure."

At no time in that address was Rockefeller or his business activity mentioned. The Roosevelt reference is quoted here for analogy and illustration. Eulogists of Rockefeller are repeatedly pointing out that this or that was never proved against him and arguing from this fact that Rockefeller's

innocence of the various charges is, therefore, clearly proved.

A case in point is the indictment of Rockefeller by a Pennsylvania grand jury in 1879. He, with several others, was indicted for criminal conspiracy to violate the laws of trade, especially those which forbade a common carrier to discriminate against some shippers in favor of others. That attempt to prosecute was withdrawn by the prosecutor at the request of the oil producers who made the complaints.

This was a very famous case in its day at the end of "the dreadful decade." To a large section of Pennsylvania, the oil region, the indictment seemed more important than anything else that happened in that decade. At last after seven years of fighting against a blind force which they had never been able to bring into court in person they finally, in 1879, had an order for the person of Rockefeller and eight associates on eight counts to appear in court and answer to the charge of criminal conspiracy.

They expected to prove that he had violated laws, gotten others to violate laws, and had done it with full knowledge that he was conspiring to violate laws. The indictment used such harsh words as "cheat and defraud . . . falsely pretending . . . fraudulent devices . . . secret contrivances . . . corruptly and oppressively using power . . . enormous and unjust rebates . . . exorbitant and unreasonable rebates."

If ever they could get him into court, they expected to convict him. Their problem was to get such a case into court and to persuade a Pennsylvania governor to ask the governor of New York to extradite a man of Rockefeller's standing on a charge of criminal conspiracy.

Trial Evaded

THAT case never came to trial. The prosecutors themselves asked that it should not be brought to trial. Legally, Rockefeller is as innocent as if he had never been indicted. He is

in the position of the contestant in some sport contest whose opponent has failed to show up. He wins and his miss of trial for criminal conspiracy is as good as a mile.

Does this mean that Rockefeller was innocent of the acts with which he was charged? The grand jury said there was evidence enough to call for criminal indictment, but grand juries indict where evidence does not convict.

Did the prosecutors ever withdraw their charges, especially when asking to have the case dropped? They did not. There was no legal need to explain why they wanted the case dropped. They simply said, "We don't care to play any more." Therefore, the game could not go on.

Does the fact that Rockefeller and his prosecutors agreed upon a method of working together on condition that the prosecution be stopped prove Rockefeller's innocence? That obviously depends upon what the agreement says. By that agreement, Rockefeller promised to stop doing and not to begin doing over again what the indictment charged him with having done. That agreement did not say, "I have never done it, never wanted to do it but promise never to do it in the future." On the contrary, it said, "I shall not do it again and shall not interfere with railroads treating all shippers alike."

Even this does not mean that if Rockefeller had been tried, after being hauled into court, a jury would necessarily have found him guilty, especially in the dreadful decade when corruption and confusion were almost the rule and certainly were not rare enough to prove the exception. There might have been a mistrial. Numerous technicalites might have been discovered by Rockefeller lawyers. Some of the prosecuting witnesses might have given testimony for Rockefeller and against their own side, while others might have gone to Europe as other oil witnesses have done as recently as the Teapot Dome oil trials of 1926 and 1927. All of that is but guess work. The main point is that Rockefeller

in signing the agreement for himself and his company solemnly promised never to do it in the future and to stop doing it.

Two generations later, the terms conspiracy and criminal are very ugly terms and seem almost blasphemous when associated with Rockefeller, the champion money giver. Yet in 1872 a congressional committee, after hearing about the contract which pledged such methods as the indictment of 1879 later charged, declared that the plan was "a conspiracy" and involved a "monopoly which no set of men are fit to handle."

Had Rockefeller and his associates in the South Improvement Plan acted as if caught in a conspiracy? First several denied by telegram, letter and word of mouth that they had ever made any such contract, or that there ever was any such contract. When this failed to hold water, they said that its motive was benign and that it was intended to include everybody and not merely the signers. When that failed to hold water, they dropped the scheme and kept forever claiming that later plans were nothing like it. Rockefeller himself, sixteen years later, escaped admitting his own connection with it because in the question the vernacular word South [*ern*] was used for the legal word South. Not his to argue with the public's counsel!

Nearly forty years later, in 1911, the United States Supreme Court, as shown on page 33, practically tried the earlier conspiracy case, declared the Rockefeller business methods illegal and characterized his conduct from 1872 through 1879 in terms which meant conspiracy.

How irresistible his force seemed while operating was testified to historically and prophetically by Commodore Vanderbilt to the New York legislative investigators of 1879: "Long ago I said if the thing kept on the oil people would own the roads. . . . (Rockefeller's company) would buy competitors right from under our nose and we would

not get any business. . . . They are smarter fellows than I am, a good deal. . . . They will be on top all the time . . . on top of everybody that comes in contact with them."

CHAPTER 21

INEPTLY QUESTIONED

IN his reminiscences, Rockefeller lamented that his oil company "has suffered from the statements of people who, I am convinced, are not familiar with the facts." However large Rockefeller's own share of responsibility for this popular ignorance, the careful reader, two generations away from the several legislative and judicial investigations of his methods, finds himself marveling most of all at the inept questioning. In fact, historians will wonder if Rockefeller's questioners really wanted to bring out the truth, or were instead trying to keep it hidden or at least befogged.

One thing they left plain: they usually sought political leads rather than economic facts. Their questioning was like that of the later muck-raking era in the early twentieth century when leads were sought to questionable motives and flagrantly illegal acts without looking for the concrete truth about what was done and what resulted from it. Certainly Rockefeller, aided by the cleverest lawyers of his time, and by a "native passion for detail," was not likely to do anything so crude in its illegality that improvised committees could elicit proof by sharp-shooting questions.

A second striking fact about Rockefeller's questioners is that they seemed never to have informed themselves enough to question the one man who knew "all that is worth while knowing about the oil trade," more particularly oil transportation by railroad and pipeline. Their hand-to-mouth questioning of Rockefeller is aptly symbolized by a story A. N. Farmer relates of his Wisconsin normal school survey:

A supervisor, whose good opinion was most important to the principal and teacher, consented to ask the teacher's class some questions. The teacher, using the same psychology which Rockefeller used with investigators, steered him to the brightest boy in the class.

To the devastating mortification of herself and her principal, however, Jimmie gave reply after reply that swerved away from the question by in-curves and out-curves and drop-curves until the questioning dignitary left, convinced that either this teacher was peculiarly inefficient or else her children were unusually dumb.

When the supervisor and Mr. Farmer had gone, the teacher said "Jimmie Jones, what possessed you to answer Supt. Blank so stupidly? You knew the answer he wanted." "Sure," said Jimmie, "I knew the answer, but them questions will never fetch it." Of one critical examination after another directed at Rockefeller, history records: "Them questions could never fetch it."

As Press Saw Questioners, 1888

How Rockefeller's questioners seemed to their time is shown by comments in New York newspapers after Rockefeller's appearance before the New York legislative committee which investigated trusts in 1888. Under the caption "A Clever Millionaire" the *New York Herald* reported February 28, 1888:

"The way in which he parried the questions was a treat. Mr. Rockefeller has a well-shaped head, a fine intelligent face, and a Chesterfieldian style that almost paralyzed his questioners—with one exception and he was the lawyer and soldier from the south, General [Roger A.] Pryor."

Besides being history Rockefeller's tournament with his questioners at this investigation made history. Perhaps also it kept history from being made, for he got out of showing important records, but in such a way that an impression was given that they were not relevant anyway.

The *Herald's* tribute to the ineptness of Rockefeller questioners was only one of several comments in New York

newspapers which proved Rockefeller's mastery of the very situation into which he had been brought as the prize victim.

To appreciate the intensity of public feeling at this time about Rockefeller and to appreciate the possible historical cost of his clever evasiveness, we must remember that the financially conservative *Herald*, on the very day of Rockefeller's testimony, said that his trust and fellow trusts were, "like slavery, against our institutions." Even the *New York Times* insisted that if the senate committee wanted to help the public it must "bring out the facts."

The senators were "checked by Rockefeller's clever, evasive answers," said the *Herald* news item; "Rockefeller acted as buffer for the alleged monopoly and everybody who bumped against him was bruised."

Rockefeller's example was infectious, reported the *Times*. "His imitators concluded that if he could afford to be the tractable witness, they had nothing to fear . . . there was not the faintest approach to a struggle . . . no force was necessary." Editorially it said that Republican senators seemed to be siding with trusts, "to make a show . . . without striking a blow."

The *Herald* said editorially:

> "It was wonderful to notice the grace and suavity with which hurtful questions slid from the case like water from a duck's back. Mr. Rockefeller smiled and spoke in the softest voice. . . . When a hard question was put to him, he always turned to see whether his lawyers looked worried and if they did, he never could (er—ah) understand the precise point."

The *Sun* was impressed with the way Rockefeller took the stand and "kissed the Bible vehemently." Little wonder that after the hearings were over, the *Herald's* editor should have put the whole story in the following nutshell:

> "Mr. Rockefeller, however . . . proved . . . [his oil trust] the greatest philanthropy of the age, a sort of missionary so-

ciety . . . spreading . . . the light of refined kerosene oil over the dark places in a naughty world."

So unprepared were Rockefeller's questioners that when the state committee's own lawyers disagreed, somehow Rockefeller always won. General Pryor wanted what he called the secret books of record of Rockefeller's trust. The other state counsel, Colonel George Bliss, according to the committee's proceedings, decided he did not want them. Perhaps in the public interest they ought not to have been studied. Perhaps Rockefeller would have gone to court rather than produce them. Whatever the merit of the case, the questioners did not bring it out.

CHAPTER 22

A PRIZE WITNESS FOR HIMSELF

THE most extreme and obvious failure of Rockefeller questioners was when at this same investigation he was asked if he himself had belonged to the still infamous South [*ern*] Improvement Company. When he answered that he had not but had heard of it, the questioning stopped. No questioner seems to have been alert enough to detect the unnecessary and improper syllable "*ern*" which Rockefeller's courteous ear had detected in the South company the committee was talking about. He had belonged to the South Improvement Company, not the South*ern* Improvement Company. The committee said South*ern*. No questioner said South. Hence, without excitement, or sign of stealing a base, Rockefeller said: "I was not," when asked: "Were you in it?"

Rockefeller's lawyer, Joseph H. Choate, then a leader of the American Bar and later ambassador to England, was, according to the ethics of his profession, under no moral or civic obligation whatever to coach the state committee in

the framing of their questions to Rockefeller. It was not his business or Rockefeller's to tell the pitcher and catcher for the legislative committee that Rockefeller was stealing a base, and that he had been in the company they thought they were naming.

No member of the committee and no lawyer for the committee was curious to ask what company or situation the first questioner had in mind when he asked if Rockefeller had been in the South*ern* Improvement Company. Not one seems to have been the least bit curious as to whether this same company was sometimes called South*ern* as well as South.

As a matter of interest and mental play, which is the reader's chief reason for scanning any history, let us try to reconstruct that sitting and wonder whether subsequent history would have been changed if, instead of dropping the questions to Rockefeller about the South*ern* Improvement company when he said he had not been in it, the following dialogue had taken place. Please remember that it is fiction, not history, especially in its brevity, for Rockefeller would not have walked straight into the truth which the committee was pledged to seek.

Q. Mr. Rockefeller, what had the South*ern* Improvement Company, of which you have just testified that you have heard, to do with the oil business?

R. If the committee will be so good, I beg it to excuse me for having said that I had heard of the South*ern* Improvement Company. My mind was so definitely fixed on an attempt to help the committee and so clear that I had never been in that company that as an act of deference to the committee, I meant to admit the existence of a South*ern* Improvement Company. I really know of no particular company ever called by that name.

Q. Do you remember, Mr. Rockefeller, the name of the company which in February 1872 was the occasion for indignation mass meetings in the oil regions and in March 1872 was the subject of a congressional investigation?

R. If you please, gentlemen, these have been very busy years for me and I have trained my mind to concentrate upon problems at hand. I do not immediately recall the incident to which you refer.

Q. Did you go into the oil regions in February or March 1872?

Chairman: Mr. Blank, just what are the incidents which you had in mind when you asked if Mr. Rockefeller was in the Southern Improvement Company? Perhaps one of our secretaries or counsel can refresh our memories.

Mr. Blank: I haven't studied the record lately but I seem to remember that there was a company which secured a contract with several railroads to carry oil for members of that company at half the rates to be charged to outsiders and in addition to pay the company half of all that was charged outsiders. I can give no reference and can't remember the exact name of that company.

Chairman: Mr. Counsel, can you give the reference?

A. No, I don't remember it.

Chairman: Have we no record here?

Counsel: At my office.

Q. Please secure them while we question Mr. Rockefeller about other matters.

Upon the return of the counsel's messenger, the dialogue is continued:

Counsel: The record shows, Mr. Chairman, that the name of the company which Questioner Blank doubtless had in mind was the South Improvement Company.

Q. Mr. Rockefeller, did you ever hear of the South Improvement Company?

R. Yes.

Q. Were you yourself in that company?

R. I was.

Q. Did you know all the time that we were asking you about this company?

R. I could not be so discourteous to a committee that has been treating me so courteously.

Q. Did that company ever sign contracts with railroads?

R. Yes.

Q. With how many railroads?

R. I don't remember just how many.

Q. About how many?

R. I dare not risk my memory.

Q. Were there as many as two?

R. Yes.

Q. What were they?

R. Please permit me to suggest that if there is a record it would be safer to trust the record.

Q. Mr. Rockefeller, I hand you what purports to be a copy of four eight-page contracts signed by you for your company and by various officers for five different railway companies. Will you glance at it and tell the committee if it seems to you to be a correct copy of the original contracts?

R. With the greatest desire to assist the committee, I must confess that I am not in the habit of attempting to verify at a glance an eight-page document.

Q. Would you perhaps prefer us to ask you specific questions respecting this contract?

R. I am at the committee's service and desire only to give any information I can, except that I again beg to remind the committee that I am an extremely busy man and hope to get back to my work as soon as possible.

Q. Do you remember, Mr. Rockefeller, that this South Improvement Company's contract with the railroads contains a pledge by each railroad to give all shippers the same rates given to this company provided these outsiders "furnished an equal amount of transportation and equal facilities for promoting the petroleum trade?"

R. I do remember that such was specifically provided in the contract.

Q. Is it a fact that this same contract pledged each railroad company to "coöperate as far as it legally may" to protect the South Improvement Company against "loss or injury by competition?"

R. If you are reading that from the contract, it is of course there.

Q. At the time the contracts were signed, was there any single competitor or any combine of competitors able to offer the railroads the freight and facilities equal to what the South Improvement Company was able to offer?

R. I personally know of no such competitor.

At this point it was not all material what Rockefeller thought about this or any other provision. The main point was to establish three facts: (1) five railroads had promised to side with the South Improvement Company against competitors; (2) five railroads promised certain rates to the South Improvement Company, much lower than rates to outsiders; (3) Rockefeller himself had kept on using the South Improvement Company plan ever since that company itself had died from too much publicity.

Moderately skillful questioning would have gone on somewhat like this:

Q. Is it a fact that this contract, copy of which you have in your hand, promises in Section 4 of Article 2 that, until such time of course as some outsider might offer as much as the South Improvement Company, this company and the members of it were to pay, not the whole advertised public freight rates on oil, but only one half to one fourth the published rate?

R. I am sorry that I have not been able in this short time to compare so many figures on two different pages.

Q. Does it further say that you and your fellow insiders might substract this so-called rebate from the total bill instead of waiting to get it as a rebate or refund from the railroads?

R. That is the wording.

Q. Does it further say that you favored shippers might bill yourselves and send the railroads your reduced freight, instead of waiting for the railroads to send you their bill?

R. That is the wording.

Q. Does it further say that, besides holding back half of the freight chargeable on the public schedules for all oil you shipped, you were to be paid the difference between the advertised rates for others and the rates for you on all shipments by outsiders?

R. That is what it reads.

Q. Does that section means that since the published rate for carrying 1,000 barrels of oil from Cleveland to Boston was $2,150, you need pay but $500 for that service and would be allowed $1,650 as a "rebate"?

R. That is what it means.

Q. Does it mean that the outside shipper would pay the full total of $2,150?

R. It does.

Q. Does it further mean that of the $2,150 paid by the outside shipper only one-half was to be kept by the railroad?

R. It does.

Q. Does it mean that the other half of the $2,150 or $1,075 was paid you by the railroad as a "drawback" besides your own rebate of $1,650? And that your combine would have netted about $6,000,000 a year from it?

R. It does, but I am constrained to remind the committee that no oil was ever shipped on those rates.

Q. In the sixteen years since you say this South Improvement Company contract was cancelled, have you made and used contracts with railroads by which you were to receive "rebates" from the published rates on oil you shipped and "drawbacks" on oil shipped by competitors?

R. I have.

CHAPTER 23

RECORDS NOT DEMANDED

JUDGING from the experience of other committees and, in fact, from this committee experience in asking for Mr. Rockefeller's memory and his opinion instead of his records, it would have done little good to try to get him, when away from records, to tell what later contracts with railroads provided. But this committee was in New York City, within a stone's throw of Rockefeller's office and records. It had the power to get his records and railroad records. That was what the party was about. It could have obtained, in 1888, facts which the interstate commerce commission was already getting and the United States Supreme Court got twenty years later. It had records of a recent case in Ohio where rebates and drawbacks were not only proved, but admitted by Rockefeller himself.

When Rockefeller denied before this New York Com-

mittee that he had ever received railroad favors while others had often obtained better rates, the questioners were either too shallowly informed or too shallowly motived to call for specifications or to ask him about specific rebates that had already been testified to by his partners.

When Rockefeller said that the interstate commerce commission had found other companies getting lower rates than he got, the New York questioners did not ask him to cite some of those lower rates.

Had Lawyer Simon Sterne of the 1879 investigation into railroad favoritism been representing the people of New York at this time, or almost any trained investigator from Rockefeller's later bounty, Rockefeller at this point would have been asked: "What rates now has the operating company of which you yourself are president, that of Ohio, more favorable than freight arrangements given to your competitors? Please give us the rates you are actually paying to-day and the rates you have paid during the last two years."

In answer to such questions, Rockefeller would have found it necessary either to perjure himself, and get caught at it, or to re-state for the New York record evidence which had already been given to the interstate commerce commission and by it to the public, and to Ohio courts and by them to the public, respecting the particular favoritism which the New York committee was trying to run down. Rockefeller himself had but recently admitted, after proof in court, that his Ohio company was charged 10c. a barrel where its competitors, Rice and others, were charged 35c. and was paid the competitors' excess of 25c. by the railroad.

Let's Play Another Game

WERE such questions asked? They were not. On the contrary one of the counsel for the senate committee, Colonel Bliss, asked: "Is there any foreign competition?"

For such misquestioning no blame whatever attaches to Rockefeller unless he or his agents by some kind of mesmerism or finance connived at it. The responsibility for the questioning was with the public's representatives and not with Rockefeller. The fact that General Pryor, one of the state's chief questioners, later became a Rockefeller friend and a justice of the state's supreme court does not undo his unpreparedness to question Rockefeller in 1888. Opposing lawyers frequently became Rockefeller friends.

Not the least inept and superficial of the Rockefeller questioners was whoever helped him on his *Random Reminiscences*. Just a little questioning, provided Rockefeller wanted to disclose the answers, would have brought information to enhance the book's value and Rockefeller's pleasure of reminiscence.

Society's last big opportunity to question Rockefeller was quite as completely fumbled when, in 1915, Chairman Frank P. Walsh of the industrial relations commission, let him off without asking him questions calculated to "fetch" much. Mr. Walsh, as chairman of this commission, had directed that questions be prepared at public expense for bringing out facts about Rockefeller's foundations which Chairman Walsh, and presumably his commission, thought the public should know. Without protest from the commission, the Rockefeller General Education Board officers refused to answer several important written questions. By a special arrangement Rockefeller was permitted to slip into the commission hearing, up a back way, without any advance notice even to commission members, and without interruption to read a prepared paper which bore all the earmarks of not having been prepared by Rockefeller himself, the witness under oath, but by some one else not under oath.

What might have happened if real questions had been asked is hinted by the later story of a Rockefeller sec-

retary's punctured panegyric and by the chapters on Rockefeller philanthropies.

CHAPTER 24

OUTWITTING GERMANY

SIX years before the Tarbell book on Rockefeller's oil company started in an American magazine, I was a student in Leipzig University. Although I had gone there for the language and for the experience of a year abroad rather than for research, I soon felt the sproutings of ambition to take on a research task like the students of consequence who were always talking about their researches. All that was needed was a problem. I finally chose *"Das petroleum problem deutschlands."*

Germany's petroleum problem was chosen because the German newspapers were muttering about it and not at all because I was even faintly aware of America's petroleum problem. I had been several years at the University of Chicago in its department of economics, had joined in our "Doxology," and of course knew that the university was founded by John D. Rockefeller "from whom oil blessings flow." Already Lloyd's *Wealth vs. Commonwealth* had been out nearly two years but, not unlike thousands of other beneficiaries of higher education, I was as innocent of any knowledge or suspicion respecting Rockefeller and the oil business as if I had been unable to read.

It was no statesmanship and no desire to get into a public quarrel that chose my thesis subject but rather a boyish bit of curiosity coupled with the conviction that other things being equal the best thesis is one which helps solve a problem. I had noticed that when my landlady wanted kerosene, she did not go to market, did not ask her husband to do an errand for her, but merely put her three gallon can outside

her door on the third floor of an apartment house. Thence it was taken by an agent of American petroleum, filled with American oil, and promptly returned and at a price lower than it could be bought in the land of its origin!

How could that be? What did it mean that crude American oil could be refined, put in a barrel, loaded on a truck, put on a freight train, carried several hundred miles to the seaboard, carried all across the Atlantic Ocean, unloaded into barrels or cans or tanks, freighted all the way down to Leipzig, put into a three gallon can, specially called for and specially delivered—and at a lower price than the American neighbors were paying for oil out of the same well? And why when such was the case were German papers sputtering over the high price of oil and Germany's dependence upon a foreign monopoly?

Newspaper files, laws and chamber of commerce reports were read. The lesson of it, as I reported upon my return to an economics class of graduate students at Rockefeller's university, follows:

Germany was increasingly dependent for oil upon Rockefeller's company. Where competition survived, prices were very low, as in Leipzig or at the headwaters of the Rhine. Where competition had been starved out or bought out, prices were very high. Far up the Rhine after several handlings, kerosene was sold cheaper than at Antwerp. Why? No competitor at Antwerp and a scrappy competitor at the headwaters.

Germany turned to Russia only to find that Rockefeller had gotten there first.

Germany sent emissaries to the United States to demand justice and to tie up with competitors of Rockefeller. They came back agents of Rockefeller.

The best story of all made Germany "froth at the mouth." German industry and commerce had united to get a tariff passed on oak staves and oak for staves to be used in oil

barrels. At last Scandinavia found a tariff wall at Germany's frontier. There was nation wide hurrahing. Just think of all that encouragement to German forestry and barrel makers! Just think of all that money kept from Scandinavia!

So it went until German oil dealers began to want old barrels. Then they discovered that all the old oil barrels in Germany had been quietly bought up by Rockefeller agents. Every here and there was some one who winked his suspicion that the particular brand of German patriotism which had put through that tariff act was really rooted and inspired in Rockefeller's office.

The silver lining in the cloud was that Germany was able to raise a large revenue from a high tariff on foreign oil because Rockefeller was already charging all that Germany would pay for oil, all it was profitable to charge, and therefore Rockefeller rather than the German consumer would pay the tariff.

Looking back thirty years I marvel at the academic freedom that in 1897 invited this story at Rockefeller's university and at the failure of the seminar to associate the story's hero with their university's founder or his profits with their education below cost.

CHAPTER 25

"BALANCE FORWARD 1929"

NOT for fifty years probably will certified historians feel qualified to strike a balance between the debit side and the credit side of Rockefeller's total personality and service, with a certificate saying on which side and by how much the balance must be carried forward. Rockefeller's big giving started long after his big getting; only time will prove what his big giving has meant *net* to humanity. For salient facts in Rockefeller's business life, however, for

some charges and denials, it is just as easy to make final entries to-day as it will be one hundred years from now. Just how much these final entries are worth in weighing Rockefeller's debits against his credits in his dealings with society cannot now be told. That limitation, however, is no reason for not entering now what has been authoritatively balanced as finally as legal authority can ever balance it.

The Rockefellers of all lands win success in any profession at the cost of being misunderstood and misrepresented, over-criticized and over-praised by their contemporaries. No one can be even a moderate success without being envied, flattered and unfairly criticized. Most of us when outstripped even in mere games blame sheer luck for our losing and opponents' winning. Surprisingly few of us, whatever our education and background, are generous enough when we lose to feel honestly and say frankly that the best man has won. It is therefore only natural that Rockefeller should have detractors outside as well as inside the oil trade and equally natural that any man should have red-fire eulogists who, with his foundations, has given away for public purposes over $700,000,000 and endowed agencies for giving away and leavening untold hundreds of millions in times to come.

How then, pray, is the average citizen, especially young America, to sift the wheat from the chaff and the truth from the falsehood about Rockefeller?

Fortunately we are not as helpless as seems at first blush. Nor to avoid being helpless need we wade through hundreds of books and thousands of pages of testimony. We should have had to do that as recently as 1925 and any time from 1872 until 1925, even after the United States Supreme Court pronounced its verdict on Rockefeller's method of securing his enormous lead as a fortune builder. But fortunately for the lay reader, a short book, a winning essay in a national competition, was published in 1925 which

contains in three short chapters what may safely be accepted as a certified, scientific, impartial and expert summary of the key facts about the way Rockefeller secured a lead over competitors in making his great fortune. From now on, the layman and the teacher may consider themselves on safe ground if they will fasten down this book as a stake or home base for thinking about such part of the keystone of Rockefeller's fortune as lay outside his own personality and the world's demand for cheap oil.

A Certified Balance

THE reason this new book is an official guide or certified check for students of Rockefeller and of America's trust movement is that it is sponsored by an award committee of five learned men whose achievements have earned them special significance in our country's economic thinking. These five sponsors are significant in their own persons for their own standing as scientists, three of them well along in their seventies and therefore personally remembering the beginning of Rockefeller's skyscraper fortune from oil; and they are also significant for the institutions and professional groups they represent. Three of them are university professors of economics and one a professor of business in three great universities that have received large sums from Rockefeller and one of which he himself founded. The fifth is a noted corporation lawyer, recently a "Wall Street" banker, formerly a United States senator and now representative from an Ohio congressional district long considered politically tributary to Rockefeller's business. Such a group from any states or any universities would carry great weight on any subject in their special field and would hardly sponsor any unproved debits to Rockefeller's account.

The representative and former senator, William E. Burton of Rockefeller's home district, Cleveland, in Ohio,

mother of trusts as well as of presidents, is an extremely conservative conservative of Rockefeller's own political party, frequently chosen to political and judicial posts for national and international deliberations, special lecturer upon financial and governmental problems at conservative universities like Princeton and Rochester, and author of conservative works on financial crises and our federal constitution.

The chairman of the award committee is J. Laurence Laughlin, now retired after twenty-four years as head of the department of political economy at the University of Chicago founded by Rockefeller himself. He was leading apostle of "sound money" in the days when sound money was threatened by free silver and populism just before and during 1896.

Columbia University, which has already received several million from the Rockefeller fortune, is represented by Professor John Bates Clark, author of standard works on economics and trust control and generally accepted as the country's foremost liberal economist and by Professor Wesley C. Mitchell, progressive and conservative economist of the new research school, a founder of Economic Research Service, Inc.

Harvard University, recipient of several millions from Rockefeller and always an influence on Rockefeller foundation boards, is represented by Professor Edwin F. Gay, organizer of Harvard's graduate school of business and for several years publisher of the *New York Evening Post* under the financial patronage and fiscal deficits of Thomas W. Lamont of J. P. Morgan and Company, which firm, during the events for which Rockefeller is most criticized, was headed by J. Pierpont Morgan, promoter-in-chief of the great holding corporations called trusts. After Mr. Lamont sold this paper, Dr. Gay represented several liberal-

minded, public-spirited but economically conservative corporation lawyers and managers in conducting it.

The personal, professional and business connections of this sponsoring committee are such that not one of them could willingly be party to any disparagement of Rockefeller. All of them believe that "big business" and industrial coöperation by combination are not only inevitable but preferable and beneficent. Any book they sponsor for publication, and any essay they select as a prize essay in their field, must first contain evidence which they as scientific men consider conclusive. Had they sponsored a laudation of Rockefeller, the lay student would have needed to look farther in order to make sure that their natural leanings had not interfered with their scientific observations and judgment. Any evidence against their unconscious bias, especially such as Rockefeller and his associates and heirs would regret, must obviously be given special weight if sponsored by such a group.

What Is Certified

THE book in question came out in 1925, long enough after the period of rancor and excitement to permit a calm and judicial view, especially by scientists. It came out into an atmosphere of general belief that Rockefeller is more sinned against than sinning. It is called *The Oil Industry and the Competitive System*. Besides being sponsored by an ultra-conservative committee of high standing, it is published by the conservative house of Houghton, Mifflin and Company. Its author is G. W. Stocking, now professor of economics at Texas State University. When he wrote the book, after graduate work at Columbia University, he was teaching economics at Dartmouth College, whose president was a Rockefeller trustee. His essay was rated the best submitted for the Hart, Schaffner and Marx prize.

Three chapters deal with the period when Rockefeller

was the general-in-chief of the business which built his fortune. What Professor Stocking says of the business organization built up by Rockefeller is even more true of Rockefeller than of his oil company, because Rockefeller's leadership was such that never once, from 1870 when he organized his oil company and 1882 when he first organized his oil trust until 1895 when he gave over its active management to others, would he have been criticized for saying "This great business is myself—L'état c'est moi," as Louis XIV liked to say of his governmental trust, called France.

Is it not fair to start with this Stocking summary, certified by scientists Laughlin, Clark, Mitchell, Gay and Banker Burton—as our "Rockefeller balance forward 1928" for the methods that were the basis of Rockefeller's reputation as trust builder, business promoter and genius in finance?

Of seven factors in Rockefeller's success, Professor Stocking ranks the railway rebates as the "most important single factor." Of these rebates Rockefeller himself wrote in 1909 that his profits "did not come from advantages given by railroads." The six other factors, besides railroad favors, named by Professor Stocking and sponsored by the committee of economic scientists as accounting for Rockefeller's exceptional success in his oil business, are these:

2. He was exceptionally able as a manager.
3. He gained a big start by a secretly organized company, the South Improvement Company, which was to have special railroad rates but which was so repugnant to public ideas of right and wrong in 1872 that it had to be abandoned [before it did any business].
4. He kept his lead by unfair marketing, which means using unfair methods in besting competitors.

5. He used his own and others' pipe lines to keep competitors from getting their oil to market.
6. He had money enough to locate refineries where he could get best markets and best shipping rates.
7. Once having a start, his large volume of business gave him what in slang phrase of later days is called "an edge" on his competitors.

Of these seven reasons for Rockefeller's superior success, three have to do with Rockefeller's superior business ability, namely, exceptional managing ability, exceptional ability to finance expansion and application of these two exceptional abilities to the development of a large volume of business. The four other reasons for Rockefeller's success, according to Professor Stocking, were due to methods which in our own time are prohibited by law and by accepted standards of business ethics.

Young America is being taught by school, church and press to emulate Rockefeller's ability to manage, ability to locate strategic centers for business and ability to conduct business on a large scale. Young America is now also being exhorted by school, church and press to resist, and to organize against all temptation to succeed by, the four other secrets of Rockefeller's special success, however much Rockefeller himself for other reasons is held up for emulation.

A few of the conclusions which constitute this balance forward with respect to Rockefeller's method of besting all rivals are quoted to show how conclusive these scientists must have regarded the evidence:

Rockefeller's espionage of neighbors' and competitors' business was of no little importance.

Rockefeller showed superior efficiency in running his own business and equal efficiency in destroying the business of his competitors.

He kept for himself the profits of the first and added to those the monopoly profits secured by the second.

His profits were far above the highest possible standard of reasonable commercial return.

His history as an industrial leader was the history of the persistent use of the worst industrial methods.

His Balance Forward with Bankers

Two other recent balances forward for Rockefeller the fortune builder save the man on the street the trouble of digging out for himself the meaning of conflicting testimony about ten thousand incidents and forty years of industrial warfare. These additional balances are certified by the organized bankers of America and by the United States Supreme Court when Charles E. Hughes, later Secretary of State, was a member in 1911.

How does it happen that the country's bankers as a body are having anything to say about Rockefeller's methods? They conduct schools for self-help instruction all over the country wherever ambitious young men and women, especially among bank employees, wish to qualify for promotion and greater proficiency by study of industry's principles and history. If the trainers of this most conservative of all conservative professions, with the help of leading universities, are sponsoring and inculcating doctrines about Rockefeller's way of acquiring exceptional trade advantages which differ from Rockefeller and pro-Rockefeller versions of the same history, it can be only because their economic advisers feel that established truth requires such teaching.

Young men by the thousand who are being groomed for advancement among the business and political conservatives called bankers are also in 1929 required to take the course later quoted with the American Institute of Banking financed by the American Bankers Association, which is amazingly frank about Rockefeller as fortune builder.

As the Supreme Court Balances

ONE other balance, already cited, more official in character, in fact quite as official as the last legal word can be, is certified by the unanimous Supreme Court of the United States. The certifying words are by the Chief Justice of 1911, Edward A. White of Louisiana, named by President Taft. Among others for whom Chief Justice White wrote was, as mentioned above, Justice Charles E. Hughes, who besides his many state, national and international services for our government, was again elected trustee of the Rockefeller Foundation in 1927 and has long been trustee of the University of Chicago founded by Rockefeller.

It was after an audit of claims and counter claims which took 12,000 pages that the nine supreme justices contributed the above quoted entry to Rockefeller's balance forward, 1929.

Will posterity go back of these balancing entries in spite of the certifying auditors' prestige? Rockefeller forces in 1929 believe it will. Claims there will be, but the umpires have decided, the score is registered, the game is over.

CHAPTER 26

ANNEXING AN IRON FORTUNE

DURING the panic of 1893 Rockefeller became chief owner of valuable iron mines in Minnesota. This iron fortune alone would have made him, next to Carnegie, the world's richest man. These holdings were so valuable that when the discoverer and former owner died in 1926, he was described as the man who was once the richest man in the world but who lost his iron mines to Rockefeller without appreciating their huge value.

For many years it was generally believed throughout

the country that the Merritt Brothers, first to open up Minnesota's iron range, had been cheated or "frozen" out of these properties by Rockefeller. So widespread, insistent and plausible was this belief that in 1909 Rockefeller explained the iron venture in his *Reminiscences.* Two years later his iron partner and guide, Rev. Frederick T. Gates, D.D., who died unsung in 1929, wrote and published from Rockefeller's office a 32-page pamphlet entitled *The Truth About Mr. Rockefeller and the Merritts.* To encourage circulation, its front and back covers have these two sentences:

"This pamphlet will be sent with pleasure by the author, 26 Broadway, N. Y., to addresses furnished by interested friends."

"If this is a duplicate, kindly hand it to an acquaintance, or throw it away."

Its style is similar to Lloyd's in *Wealth vs. Commonwealth,* hence it is racy reading. The 1911 pamphlet bore and still bears no date, which keeps it in appearance always up to date. It is still available free.

The charge is frankly quoted that Rockefeller, while pretending a partner's sympathy and interest, had crowded the Merritt family out of tremendously valuable iron mines. The fact is recalled that Rockefeller was sued for restitution; refused to compromise because "under no circumstances can we compromise an accusation of fraud"; lost before a jury of Merritt's neighbors; won on first appeal; and then settled by a money payment [of over $1,000,000] in return for a detailed, unequivocal and abject retraction of all charges by the twenty-one Merritts involved. The retraction is reprinted.

The reason given for making a money settlement of an unfounded suit based on slanderous charges is that the charge of fraud was unqualifiedly retracted, that Rockefeller's title was unqualifiedly conceded, and that Rocke-

feller wanted the good will of Minnesota and locality for the future extensive dealings which he planned there.

This incident, which closed with a certificate of integrity and fairness for Rockefeller, is interesting thirty years later and will be interesting a century later, for the picture it gives of the way Rockefeller did business and the way hostile rumor grew in the tempestuous days when he was building his colossal fortune. The transactions are doubly interesting because they took place just prior to and immediately after the panic of 1893. For the real story, it is necessary to combine Rockefeller's random reminiscing with his adviser's defense. Their composite story follows, with italics to show interpolations inserted for greater clarity.

By Rockefeller and Dr. Gates

BEFORE Dr. Gates had any interest whatever in Minnesota iron or iron range railroads, Rockefeller owned some shares in a number of ore mines and an interest in the stocks and bonds of a railroad being built to carry the ore from the mines to lake ports [1887 *ff*]. He thought them a very good investment. Wanting to confirm his impression, or at least wanting to protect himself against being deceived by others or by his own optimism, he decided to have the situation investigated without its being known that he was making an investigation.

To protect himself from any suspicion, and to avoid arousing any fear, antagonism or envy among the promoters and other stockholders of this project, Rockefeller sent as investigator a man who was *about the last one who could possibly be suspected of having any technical interest in iron mines and iron railroads.* This messenger or investigator was an employee of the Baptist [national] Educational Society. As such, he had *or found* reason to be in Minnesota. He was glad to undertake an extra commission for

Rockefeller who had earlier been very much pleased with the results of a similar "side line" by this traveling salesman for Baptist education in the South.

Just how Dr. Gates learned what he did learn is not told by either himself or Rockefeller. He did not learn it by telling the mine owners and promoters he was seeking it, and he did not learn it by examining the books. Nevertheless, he learned to good purpose. Whereas Rockefeller without Dr. Gates had believed his iron investments most promising, Rockefeller with Dr. Gates discovered that one whole project was in a tangle, in fact on the verge of bankruptcy, namely the Merritts'.

Historically, it is a great pity that in all probability the world will never know what Rockefeller and Dr. Gates talked over in their intimate conversations with one another, or what Rockefeller told himself in his intimate conversations with himself at night, about the future of that iron territory. The only record extant is Rockefeller's own statement that he found himself astonished that the big steel companies needing iron for their own wealth had not appreciated the value of these iron mines, whereas "we," meaning here either himself or himself and Dr. Gates, "could not get enough iron."

Acting true to type, and refusing to press his own affairs into the public gaze, Rockefeller did not have intimate talks with the Merritts about the danger of their investment or about the future value of their holdings or about the limitations of their imagination. He did not ask his fellow stockholders to get together to save this property from collapse. Even after he had bought a quarter of the bonds of the iron railroad, he acted as if he had little confidence in the iron mines and refused to invest in or loan on them —*yet.*

Rockefeller himself kept absolutely away from the Merritts and their agents. The whole dealing for him was by

Dr. Gates. He never met one of them except for a few minutes, July 12, 1893, after he had signed an agreement signed by Merritt eleven days earlier to take over a crushing burden which the Merritts couldn't carry in panic time. After this deal, Mr. Merritt said he wanted to grasp the hand of the man who had done him the kindness. Dr. Gates arranged for the hand grasping. Rockefeller acknowledged the greeting and the Merritt appreciation with this short statement: "Here is Mr. Gates. He will transact this business with you, and whatever he does will be satisfactory to me." He then left and Mr. Merritt went out radiating gratitude that he had shaken hands with this powerful man who had proved a friend indeed because a friend in need. Later, in January, 1894, in the backwash of the panic, Rockefeller bought out the Merritts; canceling bonds for stocks and paying, Dr. Gates says, $10 per share when no one else would have paid half as much as Rockefeller,—which stocks turned out to be worth $160 per share.

Here endeth the composite defense.

Their Story Analyzed

ASSUMING that at no stage in the procedure were Rockefeller and his agent possessed of information about this property which was unknown to their partners, harassed with debt, Dr. Gates makes out a clear case of not only legal dealing but fair and generous dealing. His own characterization of Rockefeller's canceling bonds which ordinarily supersede and take precedence over stock and accepting stock in return which later happened to be worth sixteen times as much as the bonds, is this apostrophe: *"If a more honorable, prompt and spontaneous act, wholly free from legal obligation, is recorded in the history of American finance, I have yet to learn of that act."*

A clear case is made out also to the effect that Rockefeller was not under the slightest obligation to do anything at

any time for the Merritts; that Rockefeller did not beg the Merritts to let him invest further in their mines and railroads; that he refused absolutely to invest in the mines January 1, 1893; that July 1 he refused Merritt's telegraphed appeal for money "to save their family collateral"; that in January, 1894, when he bought out the Merritts at $10 a share, $8 was the most they were offered anywhere else; that in addition to paying them 25% more than it was worth on the panic market, Rockefeller gave the Merritts the privilege of buying back two-thirds of it at 6% interest within a year.

Could anything be fairer? One reviewer after reading the foregoing paragraph said: "That seems extremely fair." Thirty years after the event, with our accepted ideas of history, it seems extremely fair. Three hundred years after the event, to a researcher using the same methods of analysis which American researchers are using about forgotten civilizations in Yucatan, Greece, Egypt and Mongolia, the decisive question is not what was written on paper, but what Rockefeller knew which his partners in that venture did not know about the future prospects of their property.

Case Lost—Won—Settled

THE jury drawn from the Merritts' locality decided that Rockefeller had not been fair. That is not conclusive evidence in the court of history because juries are often swayed by personal acquaintance and by animosities against or fear of enormous wealth.

The higher court reversed the decision on points of law but left untouched the question of fair dealing that will most interest posterity.

Rockefeller's settlement of the case by a payment of over $1,000,000 proves nothing against him because it is a commonplace in legal practice to settle cases for the sake of preventing future litigation, or, as Dr. Gates says of

Rockefeller, to win the good will of a locality from which future profit is sought.

By the same token of custom, the Merritts' retraction proves no more for Rockefeller than Rockefeller's settling for money proves against him. Tens of thousands of Americans are signing retractions every year because their lawyers tell them that formally retracting is the best way out of a complicated situation and will save them a great deal of annoyance and expense.

At this point the testimony of Rockefeller himself in his book written two years before Dr. Gates' defense, is more significant than the signed retraction. Where Dr. Gates says that this stock could not be sold for more than $8 anywhere else but in Rockefeller's office, he means that the state of the financial market was such during and just after the money panic, and stock market ignorance respecting this property was such, that only $8 could be gotten for it by the Merritts at the particular time when they absolutely had to have money.

Dr. Gates does not say that the property was not worth more than $8. He does say, what is contradicted by Rockefeller, that Rockefeller when he went into this proposition and started buying out the Merritts, "did not then dream that . . . every share in the basket [bought at $10 in 1894] would be sold to the steel corporation for the equivalent of more than $150 per share." If future historians use the same measuring rod for Dr. Gates and Rockefeller that they are using for Jackson and Jefferson or for Napoleon and Cæsar, they will compare this statement of Dr. Gates with Rockefeller's claim, written two years before, that he had seen vast possibilities in this situation which even the steel magnates were not imaginative enough to see.

As we get farther and farther from the event, the trained historian, trained psychologist and cross word puzzle en-

thusiast making researches into the most interesting fortune and the most powerful individual the world has known up to 1929 will ask further questions,—unless they are on a foundation payroll or some college payroll wishing to secure foundation funds. And unless Rockefeller is studied with entirely different methods of analysis from those used in studying other great forces, future historians will doubtless answer these questions, let us hope with greater information than is now available, just about as the reader will answer them by himself.

Side Lights on Rockefeller Caution

Two or three interesting glimpses of the way Rockefeller was doing business at this time are furnished by Dr. Gates' story: "For years prior to 1895, Mr. Rockefeller had transacted no business with strangers." Thus Rockefeller had no conversation with the Merritts. So far as they knew, he had no information at all about what seemed to them the most pressing and important question in the world. He himself says that he gave practically no thought to this investment which turned out to be a new big fortune, but left it entirely to Dr. Gates. Similarly, he left the investment of hundreds of millions for philanthropy to Dr. Gates, without ever seeing him or talking about it.

But while Rockefeller did not talk with negotiators, he received detailed reports in writng from his own investigators. Dr. Gates "dictated to Mr. Rockefeller a detailed report" of a meeting with Mr. Merritt "which proved an alibi to Merritt's charge." When the final settlement was being made "we had consulted him [then at Cleveland] over the [private telegraph wire] frequently during that afternoon on matters in conference." Thus Rockefeller did not make the mistake which some historians feel Woodrow Wilson made when he went into the Versailles Peace Conference after the World War in person, instead of keep-

ing himself at a distance where he would not be confused or excited or tripped or bound by what took place in a trading conference.

When the Merritts' lawyer came to the Rockefeller office with a proposition to sell out his clients, Dr. Gates says "stenographic minutes of Harris' statements were taken at three visits offering to sell out the Merritts." Just how the stenographic minutes were taken without the lawyer's knowing it is not disclosed. Nor are we told whether others, perhaps by the hundred or the thousand, when being courteously received, confidentially questioned and led to believe that a second and a third visit was desirable, have had their remarks taken stenographically, or in later days perhaps dictographed, for calm consumption by auditory though invisible witnesses.

This bit of history is told not out of any sympathy for a contemptible, disloyal and blackmailing lawyer, but for the interesting light it throws upon the precautions Rockefeller organized against "starting anything you can't see through."

CHAPTER 27

THE EASY ART OF GETTING

"THE Difficult Art of Getting" is Rockefeller's own title for his story of getting to be the world's richest man, an achievement which he has never avowed. Perhaps because his Boswell steps between him and us, he does not actually show why it was difficult or even that it was difficult for him. In fact, the only difficulty he has recalled was the difficulty of getting his first job September 26, 1855, shortly after he was sixteen years old. "I tramped the streets for days and weeks," he says.

That experience has been idealized by him, his admirers

and his publicity agents, especially in later years since he began celebrating each anniversary of getting his first job. This event has become a national occasion, chiefly because it is almost the only thing which reporters have been allowed to telegraph about Rockefeller. Every time, the story makes it seem an age that he tramped the streets for days and weeks before he got his first job.

As a matter of history, Rockefeller started looking for his job the middle of August, 1855, after finishing a summer course in bookkeeping, taken on at the end of his second year in high school but with such avidity that he "accelerated" and did twelve weeks' work in six. We know he would not have sought a job on Sundays, so several Sundays must be taken out. He "landed" his job September 26. Had he done nothing else whatever there remained about thirty days to tramp. Other boys were getting jobs. There was no labor crisis. Cleveland's work was being done and Cleveland's young people were being absorbed into industry. This shows that Rockefeller did some choosing while he tramped. Had he been as desperate as his reminiscences and anniversary repetitions suggest, it is surprising that he did not become a "town character" in Cleveland, which then counted a population of only 17,000. Yet there is no poem like "Excelsior," no series of cartoons, no record of a popular collection, no movement to send him on to the next town.

As he now recalls that experience he covered the ground he had chosen almost six times. He ruled out all retailing as a "blind alley" for him, to borrow the jargon of our day for positions that do not promise promotion. Already this sixteen year old country boy wanted big business. He excluded messenger service for doctors and even for lawyers. He went to bankers, jobbers, railroads and wholesalers. Did they want a boy? No. Then to the next. "No? Thank you." So he did his circuit twice, three times, five times,

until he finally got a position with a commission house that both retailed and wholesaled.

Why all his desperation when there were doubtless many retailers and certainly many farmers who wanted husky, earnest help? He had wanted to be in big business ever since his father had taken him when ten to Syracuse, the metropolis of his district with an awing hotel, the stir of great doings and a population of 22,000. He was desperate when refused what he sought and tickled by his final success into the hop-skip-and-jump of the elated country boy as soon as no one could see him. His father had said he must go on a farm if he didn't find a city job. The mere thought of going back to the farm life of 1853 gave him chills,—a surface evidence of emotion seldom evinced by Rockefeller.

Had there been no job of any kind, had he been rejected for menial toil, had he gone hungry, had he been forced to borrow or tempted to beg, his first getting would have been difficult. His own record shows that he was not the embryonic proletariat seeking work but the embryonic capitalist seeking opportunity to invest.

Getting friends was never difficult. Getting the confidence of strangers was unusually easy when he came face to face with them. In fact, Rockefeller's getting involved less difficulty, less uncertainty, less worry and fewer setbacks, than the getting by nine out of ten of our richest men. An apter title would have been "The Easy Art of Getting,"—if only one lives in pioneer days, and obeys the simple rules Rockefeller followed as a youth.

Easy First Capital

ROCKEFELLER'S first recorded enterprise as a captain of industry, was owning, tending and selling turkeys. He was only seven or eight years old and lived on a farm site, four miles from Moravia, New York. His mother gave the

milk for feeding young turkeys. "The receipts were all profit," as he says. The only hard thing about that enterprise, and that was not hard for Rockefeller, was having a mother wise enough to use such a device for training her son's character and business acumen.

When 14, Rockefeller dug and picked up potatoes for a neighbor. That was difficult, so difficult that he said: "Never again!" after working hard three days, ten hours a day, for 37 cents a day. Just a little while before he had been paid more than this as one year's interest on a loan of $50. He says he decided then to follow the less difficult getting by having his money work for him rather than his hands and back.

For his grammar school and first two years at high school, it was not necessary for Rockefeller to work. His board was paid for him during his two high school years at Cleveland. His course in the business school was presented to him by his family at a time when few American families of modest means were sending big strong boys of fifteen and sixteen away to high school and business school.

Socially he did not find it difficult, while a poor boy on a negligible salary, to get helpful connections that later won one of his classmates for his wife.

There was nothing difficult about getting board and room at a dollar a week, for he says that was the usual price. The most difficult thing about that association, which he continued after he began to earn a good income, was keeping in favor with the landlady who not only liked to debate, but spiritedly disapproved the high rate of interest which young Rockefeller was getting for loans placed for his father. Getting her favor was not found difficult, for Rockefeller says: "As she fed us well, I certainly was her friend."

With $50 for the first three months, $300 for the next year, $500 the second year, and $58 a month thereafter until he became his own boss, a total of $1,025 in all, he

saved from $700 to $800 in two years and a half. This seems quite a feat to-day, but it was fairly easy getting when we remember that during this time his room and board totaled only $125 and his Sunday school payments from $2 to $5.

Rockefeller's first decisive getting was the advance of $1,000 and loan of $200 for the new partnership in the grain commission business in 1858. It was not difficult. His father made this easy, in fact, simply advanced a couple of years at 10% interest the $1,000 which he had always intended to give without interest when Rockefeller reached twenty-one.

In some other line and time it might have been difficult to get the money to pay 10% interest to his father, but Rockefeller himself states that he found himself at the crossroads of easy getting. Profit came fast and easy to the new partnership and before Rockefeller ever looked at oil in 1862 he was a rich man, getting money so easily that he was bound to become a very rich man if he would only follow the easy path of his own character.

Rockefeller got his post-school education easily. Looking back at it, he says his training was excellent. He worked under a bookkeeper who trained him well. The business had great variety and, in hearing his employers discuss its future development, he says he got a liberal education for business. As an auditor's apprentice, he passed bills, collected rents, adjusted claims and fitted himself for his first partnership which wanted just that kind of work done. In such work he found, as thousands of others of his time found, both business education and character training. Equally educational, he says, was his "contact with many kinds of people." He had to win these people. He could not boss them. It was his business to protect his employers' money, not to harangue debtors. Getting others' good will,

he says, was in these early days an unusually easy art, not a difficult one.

Rockefeller's first bank loan—of $2,000—elated him. "I felt I was now a man of importance in the community." As he tells it, however, there was nothing difficult at all about getting that loan. He had just the kind of bankable assets that made it possible for his banker friend to earn money for the bank by accepting "your warehouse receipts" for a loan which it was the bank's business to make. Even if Rockefeller's personal credit had not been above 100%, the credits he turned over to the bank more than amply protected the loan.

When at 20 or 21 Rockefeller left his bookkeeping and inside work as financier, and went "drumming" as a traveling salesman through Ohio and Indiana, he found it easy to win an audience. He did not ask for business. Instead he merely introduced himself as representing his firm. At a time when other drummers were importunate, too often ill-bred and determined to get customers, Rockefeller made it clear that he did not want any dealers to leave his competitors. He merely wanted them to know about his firm. If, at any future time, it appeared that his firm might be of some service, he would be glad to be remembered. Business poured in, $500,000 of it that year, "so fast that we hardly knew how to take care of it." There was nothing difficult about that.

Easy Later Capital

As his grain commission business grew, Rockefeller needed more money from banks. Because his business security warranted loans, he got the money easily.

Even in getting money to lift the mortgage from the little mission church he attended, Rockefeller found little difficulty, although apparently the greatest difficulty he ever encountered after once he started making money. He but-

ton-holed people at the exit. They gave. The mortgage was paid. Whatever difficulty he experienced was in bringing himself to button-hole, rather than in getting money when he started button-holing.

The only difficulty which Rockefeller has specified was in getting money to pay his father's demands at unexpected times. That story must be taken "with a grain of salt." It hardly passes muster for ingenuousness. The first loan was a long-term loan. Interest was to run less than two years. It was not necessary to pay back $1,000 of the $1,200. The interest on $1,200 at 10% was but $120. Surely a commission business that grew as rapidly as Rockefeller says his did left no difficulty for a young man of modest personal habits in meeting interest payments of $120 for two years and $20 thereafter. The subsequent sums which the father loaned were hardly of a size that could ever have put Rockefeller to the slightest embarrassment. The whole incident seems rather to have been a game on the part of the father into which the son entered with the indulgence quite common among children who are willing even to pretend embarrassment in order to humor a parental sense of humor that dotes on playing Santa Claus, or deus ex machina, or crisis.

As the reader has watched Rockefeller's getting an oil fortune and an iron fortune it must have seemed quite easy, once having made the Rockefeller decisions to go about the getting the way he did.

The real lesson from Rockefeller's experience is the amazing ease of getting if one has acquired the difficult art of wanting and of being willing to pay the cost.

The art of being the kind of young fellow whom people would trust came easily to Rockefeller and was the result of his mother's discipline, his father's aphorisms and the conditions to which he was born, and perhaps several teach-

ers, rather than the result of terrific struggles by Rockefeller against temptation.

In his getting Rockefeller showed genius, but it was his own genius and difficult only in the sense that it is difficult for a rosebush to grow thorns and roses.

CHAPTER 28

THE CONCENTRATOR

AS a nonagenarian, Rockefeller is repeatedly held up to young America as a model of concentration. The signs cited of this quality are his golf playing and his giant fortune. The inference or claim is that no one could possibly have amassed such an unusual fortune without unusual concentration.

What was Rockefeller like when he concentrated upon work? History gives three or four authentic pictures.

As a clerk, he came early, stayed late, allowed no amusements or studies to interfere with his thought without getting on in business.

As a money raiser for his church while yet a boy, he stood at the exit and buttonholed members of the congregation for pennies and pledges for as much as fifty cents until the "drive" raised the money needed to pay off the church mortgage of $2,000.

As a traveling salesman he made trips one season and concentrated so successfully upon winning confidence without asking directly for business that the business poured in beyond all hope.

Rockefeller early stopped doing whatever he could hire done. He kept himself free for planning, testing, conferring, deciding and directing. He didn't allow himself to become tangled up in his "big business" machinery. This was hard for him because he actually liked to do detail himself.

He made it easy for men with and under him to do their best. He tried to recruit upper officers from lower officers and lower officers from employees down the line.

He worked hardest by questioning and answering. "Why not?" rather than "Why?" was his approach to proposals for expansion. "Why?" rather than "Why not?" was his final challenge. Even as a billionaire he drove harder bargains with trades people and domestic servants than they drive with one another.

As a buyer of competing oil refineries, he had the above mentioned one short period of buying concentration. In late 1871 and early 1872 he went home to Cleveland after meetings in Philadelphia when the South Improvement Company was being finally set for secret railroad rates to Rockefeller and his associates. By concentrating on the story of his special advantage from the secret contract and by concentrating upon one competitor at a time with his story of an inside track that promised him *a rebate or freight rate of 50% below their rate plus a drawback or 50% of all they paid* he succeeded in concentrating the greater part of Cleveland's oil business in his company.

At this point Rockefeller had three ways to go about using his expected special advantage: He could have lain low, said nothing, taken his profits, undersold competitors on the market until they could not afford to go on. He could have tried to bully them into selling out. He could have asked them to join him in his special privileges.

Which would you yourself have done? Which would you do to-morrow if a similar opportunity were offered you? Rockefeller did not lie low, say nothing and take his profits. If he had done this, as events turned out, he might easily have lost his big chance because of the two mishaps mentioned later.

Rockefeller did not, in a bullying way, tell competitors to sell out or take the consequences. That would have stirred

their fighting blood and perhaps forced them into the very sort of combine he was organizing for himself.

What Rockefeller did do was to go to one competitor at a time, not as a bully, not with threats, but as a friend, as a fellow citizen interested in Cleveland's welfare and as one preferring to seem a personal benefactor. He said in effect:

"Neighbor Jones, I am fortunate enough to be able to offer you a chance to help your city while enriching yourself. I can let you into a secret way of making money, and let you in on the ground floor at that. I want to give you exactly what I myself have. You come with us and nothing can beat us. If, however, after seeing the handwriting on the wall for your business, you decline to join us and do not wish to share our ground floor, we offer you cash for your business or stock in my expanding oil company which, without the promised new secret stranglehold, has advantages inherent in a plan which substitutes coöperation for competition."

He then implied what his new prospective "bonanza" or "cinch" or "dead-sure thing" was, to use vernacular which Rockefeller would not have used. Later court records fill in the picture with details.

"You see, Neighbor Jones, we shall not start at scratch. Our hundred yards will be eighty yards shorter than yours. We shall have $2.12 advantage of you on every barrel shipped; $1.06 which we don't have to pay and $1.06 of your double payment which comes back to us. Away from us you carry this $2.12 handicap on every barrel of oil. Inside, you share it. What do you say?"

He later testified that he told none of them that the South Improvement Plan contemplated giving every producer all that it promised him even if they retained their independence.

The only string to his cash offer, or offer in shares of his business, was that "we pay you what we find your plant is worth." Even in this step Rockefeller used the co-operative method and had competitors sit in on his diagnosis

not of their commercial vitality under free competition but of their present physical worth when compelled to sell out.

Of twenty-six competitors, twenty said they preferred to join or sell while the joining and selling were good; Rockefeller himself admitted once sixteen and again seventeen in early 1872. Those who joined made more money in time than they could have hoped to make competing against such great odds, or competing at scratch. Those who didn't dare come in but took cash unquestionably fared much better than they could have fared in a rate competition with Rockefeller, in spite of the fact which several testified that they had sold out to him at 20% to 50% the real value of their enterprises. This is because "present physical worth" meant just that—with no allowance for original cost or cost of reproduction or good will or present earning power.

When evading questions by lawyers of investigating committees, Rockefeller clearly proved mental concentration.

In the sense in which the word is ordinarily used, there is no reason whatever why Rockefeller should not have concentrated wherever it is known that he did concentrate and still have cultivated many enriching side interests. Henry Ford has shown power of concentration, but perhaps because of his nimbler mind, more communicative spirit and more neighborly era, has shown concentration by inclusion, where Rockefeller's work showed concentration by exclusion.

CHAPTER 29

BOOKKEEPING FOR VISION

TENS of thousands of young Americans are to-day living the exact life of Rockefeller as a clerk in his teens. He had no interest outside his work except church, Sunday school and Friday night singing class, which in no way interfered with his clerical duties.

He took no night school courses, no mail order courses, no debating society opportunities. He frivoled no time on dramatic clubs and lyceums. He did not believe in the theater. He did not like to read. He was not curious about politics. The social revolutions in Germany, Prussia's war with Austria, budding civilization in Japan and Lincoln's debates with Douglas did not worry him.

More important to his success than night courses, lectures, debating societies and voracious reading were two practices of Rockefeller the clerk: regular attendance at church which in his time was a direct line to community acquaintance and community confidence; and keen interest in the business that employed him.

To those who like to speculate about "if history," it is interesting to ask what would probably have happened to Rockefeller if in his early clerk days he had studied nights for college or had taken academic courses in bookkeeping and otherwise followed the route which is urged upon the clerk three generations later. It takes little imagination and less heresy to conclude that Rockefeller, trained as his contemporaries among college men were trained in the classic cultures, including old time philosophy and old time history and ethics, would probably have gone into the law, which would have opened its arms wide to his ability. He would have hired himself out to trust builders or trust breaking voters instead of building a trust. Had he been given the training of contemporaries like Joseph Choate, Elihu Root and Chauncey Depew, he would have missed what came to him naturally out of keeping books.

Even in his very first job of bookkeeping Rockefeller was much more than a bookkeeper. He himself says that he "learned the details connected with the business." While first to come and last to leave, he was unlike too many bookkeepers of his day and ours, for he became deeply interested in the story he recorded little by little. He didn't

come early and stay late just for the pleasure of writing figures after names and purchases. He didn't come for want of a place to stay or people to talk with. He came because he had questions he wanted to answer and because he saw himself growing.

Rockefeller's attitude was one which employers have always liked. Country-born and of modest means, boarding at a dollar a week, fresh from a summer business course after three years in high school, he was no mere clerk in a grain commission house. He was not putting in hours or working for pay. No indeed. As he wrote his bookkeeping figures and other entries, he was the center of a great business. He disclaims any dream at that time of himself becoming a world figure or a national figure, or even a foremost citizen of Cleveland. It was not until he had borrowed $2,000 at a bank for his firm on the firm's commercial paper that he discovered himself on the road to eminence in his home city. But he did identify himself with the business house for which he was working. He did see the persons, the problems and the business opportunities in his accounting entries.

When after but a little over two years as bookkeeper he went into a partnership his share was not merely to keep the books but to watch the finances, collect debts, raise money for expansion. Keeping books meant to him then what world-trust books by modern cost accounting methods meant later, not merely light upon what happened yesterday and where he stood to-day, but whither and at what momentum he was headed.

Accounting with Rockefeller has always been headlight as well as searchlight, prophecy as well as history, lesson as well as experience. He was so good at detail, and had such a native passion for it, that he says he had to guard himself against being submerged in it. This he accomplished by hiring others for the detail and reserving his own energy

and time for the meanings. Having such a conception of accounting, it is the world's loss that he did not care more for history and economics, because while being sure of his details he would not have lost the big truths in the details, he would not have missed the woods for the trees.

As a young boy he thought out several of the business principles which accountants are conventionally expected to remember. When only seven or eight years old, he learned the delight of a ledger which showed receipts exceeding expenditures, even if not without any expenditures, as in the case of his first entries. When fourteen, according to a story that was told often before his autobiography, he learned that letting money work for him was better than working for money.

Although accounting was invented ages before Rockefeller, it is none the less true that Rockefeller let his own experience invent accounting for him. We know now, thanks to Egyptian excavators and archeologists, that the Rockefellers of Egypt four thousand years ago very carefully checked the cost of feeding cows against the milk and meat obtained. Careful account was kept even of yachting parties with gay friends fanned by personal valets to supplement the few breezes from the Nile. We know now how carefully Benjamin Franklin and George Washington kept accounts. There was nothing new about Rockefeller's famous "Ledger A," which diarylike recorded his boyish and youthful expenditures and earnings, except his habit of looking for the meaning behind the figures. In his own short stories of his life, he has reiterated that he tried not to deceive himself or let himself be deceived,—the prime use of accounting.

Accounting for Competitors, Too

So helpful was accurate and intelligent accounting to Rockefeller in knowing about his own business that he resorted to it in learning about the business of competitors. Time after

time, competitors were astonished and mystified to discover how much more Rockefeller knew about their business than they knew themselves. The most notable case of arranging to account for competitors' business was in the contract made with the railroads for the South Improvement Company in 1872. In this contract the railroads first trusted Rockefeller's accounting so implicitly that he, in common with his colleagues, was to have the privilege of computing what he owed them and what they owed him out of competitors' freight payments and of sending them the amounts weekly instead of waiting for them to tell him what he owed them. In addition to that, the railroads promised to send the Rockefeller group copies of all way bills for oil shipped by their competitors. This accounting for his competitors' business was to tell when oil was shipped, the kind and actual quantity, and to whom.

Similar careful attention to competitors' accounts was several times reported when there was no contract. In one case that provoked considerable merriment, but is declared a myth by Rockefeller forces, Rockefeller found himself deceived in spite of all his efforts "not to deceive ourselves." A maker of barrels still survived in Cleveland long after Rockefeller had in most matters become his own manufacturer, his own broker and his own salesman. Rockefeller agreed to pay a bookkeeper of this cooper to tell him the details about the business monthly. From these details Rockefeller was to learn whether it would be better to let the cooper's factory go on making barrels for Rockefeller and others, or to take it over, without force, as part of his own cooperage business. After a short time the canny cooper asked the bookkeeper: "How much is John paying you to tell him my business secrets?" "$100 a month." "Well, I'll give you $100 if you'll hand to him what I give you."

The Tarbell chapter on "Cutting to Kill" tells of "a large

mass of documents of unquestionable authenticity" proving that Rockefeller's company was in 1903 "receiving regularly, at least from the railroads and steamship lines represented in these papers, information of all oil shipped." From Rockefeller headquarters facts were sent to the Rockefeller company's field agent about shipments going into his territory from Rockefeller competitors. One telegram reads: "If you can stop car going to [the dealer who had purchased from the Rockefeller competitor] authorize rebate."

Thus many a purchase of competitors' oil was countermanded, thanks to Rockefeller bookkeeping. This accounting was not for entertainment, not for interpretation of the past, but to illuminate the path ahead and start action. Rockefeller agents were told what purchasers to go after.

If Rockefeller apologists recall that in 1903 he was not actively in the oil company's management, Miss Tarbell's book cites numerous earlier exploits of similar character, while the United States Supreme Court declared in 1911 that such Rockefeller bookkeeping had never halted.

In the earlier period, when Rockefeller was still the directing head, evidence is available that Rockefeller had minute accounting for competitors' business. In 1887 the new interstate commerce commission was questioning a Rockefeller agent about an Ohio competitor named George Rice. The agent blurted out that he knew "to a barrel" how much Mr. Rice had shipped down the Mississippi River to Memphis. Asked how he knew to a barrel what Rockefeller competitors were shipping he said they had agents who sent a record every month taken from counts at depots.

Of this same investigation Lloyd recalls that a letter was read from a Rockefeller agent showing that he knew the "exact date, quantity, destination and charges" and asked the railroad agent to "please turn another screw." The screw was turned and the competitor's rates were raised 50% in five days, while Rockefeller's rates remained unchanged.

Faith in Oil

AFTER the event, it is easy to be a prophet. Myths are built up around successful men and oftentimes within them. In a world of law and order, it is hard for us to believe in chance. We find it easier and more agreeable to trace every great result to some designing room.

How can Rockefeller's business success be explained? *Collier's Weekly* in April, 1926, answered the question with the following story about Rockefeller by J. I. C. Clarke, who was publicity man for the Rockefeller oil concern for a dozen years after 1900. In 1907 Mr. Clarke asked Rockefeller why he had amassed so much wealth and so much more than his associates. "Faith," Rockefeller said with intense conviction. "Faith in oil. Faith in the future of oil. I first had it. I have never wavered in it. I still have it as firm as ever." An old timer said in 1926: "Rockefeller had more faith in the oil regions than the maddest speculator had."

We now know that Rockefeller's faith was not a blind one and not a philosophical one. His first faith in oil came from seeing men around him making money in oil.

The unauthenticated story by Fred C. Kelly, a Cleveland newspaper man, in the *New York World,* May, 1925, says that Rockefeller's starting a competing house in New York was not presented as a remote possibility but as an imminent probability, certain of success because his partner in the grain business was brother of a partner in the oil firm from which the New Yorker got most of his profits. Denied by Rockefeller it nevertheless has historic value because it pictures him as his time pictured him.

Once having started in the oil business, which grew rapidly because of the nation's need and a world's need, Rockefeller's own accounts gave him reason for faith that the world wanted oil and would keep on wanting oil because oil was able to do certain things which the world needed. It

was only in his fatalistic faith that oil would not run low in the Pennsylvania district that he outdid the wildest speculator.

His first effort with the promise of big rebates and big drawbacks on what his competitors sent certainly justified faith in transporting oil at less than his competitors had to pay.

Once an oil millionaire and director of a near-monopoly that controlled 95% of refined oil, Rockefeller's faith in oil was built upon accounting, statistics and definite knowledge. To lack faith in oil in the face of the information Rockefeller has had since 1880 would have shown a very low "intelligence quotient." Rockefeller had faith in what he could see and could prove.

Rockefeller's own story in 1909 indicates that in his case, as in most other cases of great successes, the end of the rainbow was not seen when the beginning was sighted. He says:

"None of us ever dreamed of the magnitude of what proved to be the later expansion. We did our day's work as we met it, looking forward to what we could see in the distance."

At another time, on the witness stand, he said that it was not his faith or at least was not his imagination but Henry M. Flagler's which saw around corners, over hills and through obstacles to a world conquest. He then said frankly that he wished he had had the imagination which Mr. Flagler showed.

The faith Rockefeller showed, therefore, was mostly faith in what he saw and could prove. It was knowledge based upon fact-finding, and not faith based upon the wish that is father to the thought. Even his contention against pessimists that "Providence does nothing in a small way" was rather knowledge than faith. In 1927 his faith that Providence would not yield too much oil had to give way to an

organized demand by oil interests for government intervention against overproduction.

Rockefeller Luck

LITTLE was left to luck by Rockefeller. Gambling was not in his nature. Careful planning was his habit. He preferred insurance costs to worry.

When he took a business risk, he had already proved that there was no calculable risk, no uncertainty as to how known factors would work, or at least no question that if an oil field proved disappointing in its yield, he had the reserves to meet the loss without jeopardizing adequate dividends.

The oftenest mentioned exception is his insisting upon buying Ohio oil with sulphur in it up to $3,000,000 when experts said sulphur couldn't be removed. His success—a new enormous fortune—seems here due more to calculation than to lucky faith.

Yet with all his careful planning, the greatest setback of his life was due to two accidents that no one foresaw but that were foreseeable. In 1872, he hoped to get control of the oil refining for himself and associates before their intentions could be discovered. As already told, in Cleveland, where he himself was the general, the plan worked like a charm.

Yet two mishaps which Rockefeller had not counted upon, spoiled the plan for the time being: (1) One man "squealed," though pledged to secrecy, because his reputation as a speculator and poor team worker caused the combine to blackball him; and (2) a railroad freight agent's absence from his post to be at his son's deathbed permitted an innocent substitute to publish at the wrong time the freight rate which advertised the secret deal.

Thus two mishaps, one due to prejudice against gambling, and the other due to death, bungled one of Rockefeller's most important plans.

Even this, however, hurt his fellow combiners financially more than it hurt him and his own company. In fact, he probably grew grateful for the misfortune because it changed his position from that of a follower and modest collaborator to that of dominator of the group which rallied around the idea of the South Improvement Company after its legal charter had been repealed March 30, 1872, as the result of a popular uprising seldom equaled in our country.

CHAPTER 30

EFFICIENCY IN BUSINESS

AS a money-getter Rockefeller's efficiency is proved by the size of the getting.

As a chooser of aides and partners his efficiency is again attested by what he and they were able to do together. When the Tarbell arraignment was written, 1902-1904, thirteen of his fourteen directors were former competitors.

As a discoverer and builder of promising men in his employ, his efficiency has been freely conceded by his severest critics, although he is credited with much man-building that was organized after his retirement.

As an avoider of strikes he proved himself a great tactician at a time when contemporary employers were blind, obstinate and extravagant in provoking strikes.

As an architect of business policies his fortune is his blue ribbon of superiority.

As a convincer of men he himself admits his unusual success "when face to face" with them. A distant relative says: "Rockefeller, like all his family, is a good talker and palaverer."

As tenacity itself he has never been surpassed and seldom equaled.

As a delegator of authority he out-Carnegied Carnegie without calling his art "divine."

As a conscience hypnotizer he was so superlatively expert that every step he took was for the glory of the God he worshiped.

These qualities were precisely what was needed to do away with competition by the help of special railroad favors and to make money by selling a new article liberally supplied by nature to a civilization keenly eager to possess that article.

The same qualities, alone and carried no farther, would have made a great success of a vast railroad system, a string of chain stores, a mail order business or the making and marketing of electrical appliances.

Because Rockefeller surpassed all others in his reaping, it is taken for granted that he surpassed all others in efficiency. The fact is that while he was in some matters prodigiously efficient he was prodigiously wasteful and inefficient in others, as his method of leaving all management to district managers without efficient central checking and supervising is sure to be in any business anywhere. In almost so many words he confesses this when in his own reminiscences he says that most of the standardizing efficiency steps he describes were taken by his oil company after his retirement.

Even while he controlled 95% of the refined oil trade, and had great shipping and marketing advantages, his competitors were making money by beating him to improvements and economies. His partner, John D. Archbold, testified that others had invented lubricating oil, paraffin wax, cylinder oil, spindle oil, wool oil, vaseline, etc. Others led also in pipe lines, tank cars, tank ships, gasoline. Trade history proves beyond a doubt that his competitors made more inventions than his organization made; they had to, he didn't. By-products from kerosene were not his idea,

although he kept on seeking new ones. Many were pointed out as commercially profitable before ever oil was struck in this country, others were common knowledge although their profitable manufacture called for larger plants than many competitors had.

In all his kingdom it was possible for his revenue collectors to be incompetent and wasteful without his knowing it. He did not begin to have the cost accounting with which he is popularly credited. He knew a lot more about many a competitor than he knew about his own companies. He was telling the truth and not lying or "hedging" when he declared on the witness stand that he did not know numerous important facts about his companies. He just didn't know and didn't use methods of inquiring, recording and interpreting which would help him know.

Even when competition got more than 5% of the business, it was not necessary for Rockefeller to know as much as his official successors knew. Why not? Because competitors were satisfied with Rockefeller prices if he would let them alone, hence his own inefficiencies might continue without destroying huge profit.

It was not efficient but highly inefficient to persist in The-public-be-damned policy used to the last by Rockefeller and discarded by his successors for The-public-be-told policy. Some subsidized Rockefeller researcher may some day report that by evading subpœnas, refusing to talk to reporters and paying lawyers and lobbyists to oppose "unfavorable" legislation and secure "favorable" laws, Rockefeller lost more millions of dollars than he gave away.

In failing to study the meaning to society of his own business and in failing to lead in seeking solutions of the problems which his business led in uncovering and advertising, Rockefeller was grossly incompetent just from the standpoint of business. He left a heritage of mistrust, fear and hate where a more efficient method would have left a herit-

age of confidence, gratitude and commercial "good will."

That these facts are hidden in the wonderful financial success of his companies is evidence not of Rockefeller efficiency in business but of his being free from serious competition in answering a world demand for a new product.

Giant Characteristics of Rockefeller in Business

Ida Tarbell in her chapter on the legitimate greatness of Rockefeller's oil company posts twenty-three indexes of greatness to the credit of Rockefeller and his associates.

1. Energy.
2. Intelligence.
3. Dauntlessness.
4. Youth.
5. Brains.
6. Vision.
7. Consummate ability, daring and address.
8. A thing of life with a future.
9. As perfectly centralized as the Catholic Church or Napoleon's government.
10. Men at the top attended to nothing if committees below could settle it; but they always knew about new openings and new processes.
11. Widespreading system of reporters.
12. Daily summaries were made of new information to be found on earth concerning respective fields.
13. What was learned was applied and affected the whole great structure.
14. Independent men were held together by an ingenious system of competition which satisfied the spirit of independence.
15. New discoveries and inventions were pushed to the limit.
16. The biggest men were promoted and mediocrity passed by.
17. First-rate ability was used from top to even day laborers.
18. Slightly better wages were offered for men who excelled.
19. Men who showed ability were advanced.
20. Deadwood employees were seldom taken on.
21. Employees were encouraged to buy company stock, which greatly increased efficiency, money for this being loaned on easy terms.

22. The working force was remarkably loyal and interested.
23. Neither the company nor Rockefeller speculated.

What Miss Tarbell concedes is generally believed. The imposing list is her credit side for Rockefeller, to whom she attributes the giant best as well as the giant worst in his company's performance.

Looking only at this credit side there are many incidents of pioneering in the "efficiency movement" which prove Rockefeller a giant in analysis, persuasion and persistence.

Prizes for economy were given to individual workers. One award was for showing that cases would be strong enough to carry export cans of kerosene if one-third of the wood in them was flawed, knotty or otherwise inferior and therefore cheaper.

Rockefeller was not too busy or too lofty to wonder about petty economies. He officially delegated all detail to others so as to keep his own mind free for big problems of organization. Yet when he saw detail at work he sought economies. For example, he asked the foreman who was responsible for coopering the wooden barrels: "How many inches must your steel hoop overlap in order to bind the wooden staves, covers and bottoms solidly together and oil tight?" He was told. "Have you thought it might be reduced?" The result was that the overlap was cut over two inches a hoop, which meant over a foot a barrel or literally thousands of miles of steel hooping a year.

The Rockefeller solder tale is old. "How many drops of solder do you use to make the tin can oil tight?"

"Never counted."

"Wouldn't you be interested to know?"

The solderer counted. He tested. He found that forty drops were enough. Later Rockefeller asked: "Shall we see if thirty-nine drops will be just as safe?" Thus thousands of dollars were saved in single drops of solder, tens of thousands in solderers' time and millions upon millions because

a whole system's habit of researching for the penny saved that's a penny earned.

Another kind of saving in little things was Rockefeller's attitude toward firms competing for his business. "Let's not rub them against one another," he said of two bitter competitors for a sale to him. "Instead let's give them both a chance." Kind? Yes. Good business? Certainly, for only by keeping them both alive and doing their best could Rockefeller avoid buying from a monopoly seller.

He educated where too many others with his power would have ordered. It was more important in his eyes to have studious co-workers than efficient execution of old orders. Thus only could he progressively "deepen the channels of production." He made "Why not?" and "Let's try" infectious among key men in his organization.

"Standard" was chosen by Rockefeller and his associates not as a catchy name but as an ideal for manufacturing, marketing and serving. At least that is his present interpretation of their motive. They had their manufacturing committee meet monthly. Its aim was to raise all refineries to the highest level in efficiency and economy. Costs and profits were compared. Manager High Cost was spelled down, went first to the foot of the class and then went to see how Manager Lower and Manager Lowest beat him.

It was easier for the system to keep at high gear because Rockefeller's attention never ran down. Coming off a boat from Europe he greeted a fellow director: "By the way, we have a large accumulation of wax on our hands. Have you any plans about it?"

One penalty for this was that the virtue often became a vice and his men took chances with business law and ethics which would not have been alluring to workers whose initiative was not being fostered by rewards. Their hatred of waste and love of thrift, largely inspired by the man at the top, Rockefeller, too often soured into aversion to that

legitimate competition which knows few equals in mothering thrift, inventiveness and desire to serve.

CHAPTER 31

HIS SELF-APPRAISAL

HISTORY has been defined as a search, not for the truth, but for what, because believed to be the truth, led to certain actions. That is the kind of history we have been trying to write of Rockefeller and his time. In that sense, there are several different historical truths about Rockefeller's part in building his oil company: what he calls the truth; what critics including competitors considered and now consider the truth; what the general public thought and now thinks the truth.

Rockefeller considers that profitably employing workers through his oil companies, year in and year out, in times good and bad, was his best achievement. His own characterization of that job, in his own words, taken chiefly from his *Random Reminiscenses,* supplemented at points by testimony before various investigating commissions and by personal acquaintances, includes the following:

1. *"It had few important strikes."* This is significant because it is true of a period when important strikes were numerous and when there was so much hostile criticism of Rockefeller in the air that strikes by his own employees undoubtedly would have been widely welcomed by the public.

Rockefeller's own contacts set the pace. In his early octopus days he promoted a number of workers but passed over a boyhood friend whom he had brought into the business. The friend was deeply wounded and resigned. Rockefeller and his wife "came round" after supper for a

"family call" and urged the friend to reconsider. The friend refused, to his posterity's poignant regret.

Again an associate resigned in a huff. Rockefeller wrote to him in substance: "Now, Jim, you've been working pretty hard. You're tired. Just lay off for a few days, come up here (Forest Hills, Rockefeller's home outside Cleveland) over Sunday and let's see how it will all look to you then."

2. *"It paid well,"* meaning it paid comparatively high wages. The severest critics concede this.

3. *"It cares for employees when sick* (in 1909)." This had not always been true, for in his preventive and protective welfare work, Rockefeller was a follower rather than a leader.

4. *"It pensions (employees) when old."* True, in 1909, and to-day.

5. *"It made profitable and notable a convenient form of partnership."* So convenient was it that it has been adopted wherever big business is known.

6. *"It showed that the day of individual competition in large affairs is past and gone."* True, again, so far as public utilities and universal necessities are concerned. So generally have we accepted this belief that in April, 1926, a representative of the federal department of justice, whose business it is to prosecute violators of anti-trust laws, declared that the time had passed for government opposition to any business just because it is big. We are so accustomed to corporate coöperation to-day that most of us would gladly subscribe to Rockefeller's statement: "You might as well argue that we should go back to hand labor and throw away our efficient machines [as that we should go back to individual competition]."

7. *"It lived* [beat his competitors] *only because it has managed its affairs well and economically and with great vigor."* The word "only" is not conceded by impartial students of our industrial history.

8. *"Every week in the year for many, many years, it has brought into this country more than a million dollars of gold."* Statistically correct. A bit of poetic license was used in saying gold was brought every week. What Rockefeller means is that purchasing power was brought; whether in gold or credits depended upon the balance of trade.

9. *"It extended its markets into every part of the world."* So did its competitors and predecessors.

10. *"It adapted the trade to the need of strange folk.* In many countries we had to teach the people—the Chinese for example—to burn oil by making lamps for them. We packed the oil to be carried by camels, or on the backs of runners, in the most remote portions of the world." Whether in Siam, Germany, or South America, it knew folks' strangeness well enough to furnish oil as they wanted it. It is also true that independent refiners had opened up many foreign markets before Rockefeller entered oil.

11. *"We kept our books intelligently as well as correctly.* We knew how much we made and where we gained or lost." True as to net gain or loss, not as to losses in spite of net gains.

12. *"At least we tried not to deceive ourselves."* History records that they were surpassingly successful.

13. *"Its success was due to its consistent policy of making the volume of its business large through the merit and the cheapness of its products."* The essence of this success was that it made the business large through the usefulness, acceptability and penetration of its products, even when not actually more meritorious or cheaper than those of competitors.

14. *"It dealt directly with the consumer. We were greatly helped by our department of state,* its ambassadors, ministers and consuls to push our way into new markets." True. Here is a fruitful field for research.

15. *"It set an example for upbuilding on the most conservative lines."*

16. *"It expands by creating new fields rather than by dividing present fields with competitors."* In advising other business men to adopt this as a policy, Rockefeller made one of his chief contributions to business principles: "Be most careful to avoid unnecessary duplication of existing industries."

17. *"It was not concerned in speculative interests."*

18. *"We devoted ourselves exclusively to the oil business and oil products."* As a company "it never went into outside ventures," but its members including Rockefeller did.

19. *"It paid its bills promptly."*

20. *"It did not let down in times of panic."* Rockefeller here specified particularly the panic of 1907, which he said was the worst he had experienced: "We continued to make progress even through all these panic years as we had large reserves of cash on account of our very conservative methods of financing."

21. *"We educated our own men . . . we strove to keep them loyal by providing them full scope for their ability."*

22. *"It kept off the stock exchange"* for "it wanted owners' and administrators' attention directed wholly to the legitimate development of the enterprise rather than to speculation in its shares." Not until after his retirement was Rockefeller oil stock quoted on the stock exchange and not until much later was it an important factor in stock exchange trading.

23. *"It accomplished more by combining brains than combining business."* Several times Rockefeller asserts that it was the brains and business character he had associated with him, rather than the plants and capital, that made his success possible. In no other way can the remarkable development of his business be explained. Nevertheless, it is generous of Rockefeller, when offered the crown of superhuman

achievement in business and finance to put it aside and insist that he has "received much more credit than I deserve in connection with the Standard Oil Company . . . the working out of many of these great plans has developed largely since I retired from the business fourteen years ago."

24. *"Its ability to reduce the selling price increased the volume of business the world over."* Oftentimes it was its compulsion under competition as well as its ability that reduced the selling prices.

25. *"It spared no expense to insure efficiency of plant, personnel and method."*

Here are twenty-five claims by Rockefeller himself for the business he built up. History grants all twenty-five with the slight modification above interpolated. Of the bookkeeper, the historian must admit that Rockefeller has posted the credit side of his business ledger accurately, so far as he has gone.

Maxims and Business Principles

Folklore is a better name than maxim for many of the sayings which admiring reporters, biographers and friends have given the public as Rockefeller's. Several are press-agent stuff, but so are many maxims handed down vicariously by other noted men.

No maxim-ator is Rockefeller. He has always been interested in too few phases of life to have the all-round philosophy which distills into maxims. Yet coupled with the business principles which he commends to young business men, the following maxims, branded Rockefeller and sponsored by him, have a many-sided interest:

Don't talk too much (a maxim given to Rockefeller by his wife, to which he attributes much of his success).

• • •

World Need for Illuminants and Lubricants

VISION

H. M. FLAGLER

ORGANIZER

ROCKEFELLER ©

LOCALIZED OIL

FIRST, DRAKE'S OIL WELL ©

CAPITAL

S. V. HARKNESS ©

Railroad Favors

Six basic ingredients of Rockefeller's oil fortune—Drake, discoverer wears the silk hat at the well, but died a pensioner of friends, not including Rockefeller.

Success comes from keeping the ears open and the mouth closed.

. . .

The poorest man I know of is the man who has nothing but money upon which to devote his ambition and thought.

. . .

The gift of dollar-making is imparted to man just as the gift of poetry, or sculpture or the art of healing. And as each gift is bestowed, so must it be used for the general uplift of humanity. [In giving $6,000,000 to Harvard's graduate school of business George F. Baker expresses dissent.]

. . .

Extravagance is our national curse.

. . .

I'd rather lose $1,000 than be swindled out of five cents.

. . .

Though some are better than others, a friend of whatever kind is important, and this one learns as one grows older.

. . .

Start when young making the acquaintance of high grade influential people.

. . .

The best way to prepare for the end of life is to live for others.

. . .

Find the man who can do the particular thing you want done and then leave him to do it unhampered.

. . .

Inspire your employer with confidence in you. It is chiefly to my confidence in men and my ability to inspire their confidence in me that I owe my success.

. . .

The caddy who attends strictly to business on the golf links is more apt to make a success of life than the bookkeeper who permits his mind to wander to the work of the superintendent out in the shop. [He rose by violating this maxim.]

. . .

The tendency to-day, especially among Americans, is to overeat. It is little less than a vice with thousands. My table is practically the same as it has always been.

. . .

The most important thing for a young man starting life is to establish a credit—a reputation, character. He must inspire the complete confidence of others.

. . .

You must establish a credit, character, before you can hope to have people lend you money.

. . .

As for opportunities, there are ten to-day for every one there was sixty years ago.

. . .

We have all felt that the giving of money demanded just as careful study and as painstaking attention as the making of money.

. . .

There is something unfortunate about being born in a city. Most young men raised in New York and other large centers have not had the struggles which come to us who were reared in the country.

. . .

It is a noticeable fact that the countrymen are crowding out the city fellows who have wealthy fathers. They are willing to do more work and go through more for the sake of winning success in the end.

. . .

One of the swiftest tobaggan slides I know of is for a young fellow just starting out into the world to go into debt.

. . .

Try to turn every disaster into an opportunity.

His Best Job

"If there is any better function of business management than giving profitable work to employees year after year, in good times and bad, I don't know what it is." Imbedded in Rockefeller's reminiscences this declaration of faith caught little public attention. It has never yet loomed large compared with his stupendous philanthropies. Yet, when modified to express what he probably meant, it shows the real Rockefeller better than do his philanthropies.

If questioned, as Rockefeller should have been questioned by his collaborator, he would probably have re-stated this definition of a best business job about as follows: I know no better fruit of business management than rendering more and more service to patrons by giving profitable work to employees year after year.

Henry Ford nearly twenty years later is saying something similar to huge and applauding audiences. Henry Ford is acting it. Rockefeller said it in 1909 when he had stopped acting it.

The Rockefeller wording bears separation and emphasis. It is not mere employment, but "profitable employment" which business management should give. It is not now and then, or for short periods merely, but "year after year." It is not in good times alone, but "in good times and bad." It it not for employees only, but "to give opportunity for progress and healthful labor where it did not exist before," as he says later in his book.

Rockefeller does not say in so many words that he feels sure none of his money has ever helped mankind more than that which employed labor profitably year after year in bad times as well as good times. It seems clear, however, that this is what he has always thought and what he would have preferred to say in the quoted sentences.

If Rockefeller has needed "deadeners for his conscience"

and justification for acts condemned by his fellow men, as many critics insist he has, his inner man has been finding them, not in his vast philanthropies, but in his conviction that his business activities over a colossal territory and a long period served laborers, consumers and social enlightenment alike.

This Rockefeller philosophy is a square challenge to Edward Bok's philosophy that when a man has earned a fortune he should begin a new life of thinking for others. Mr. Bok says that when earning money a man can't help thinking of his own advantage at the cost of society. Rockefeller says it is precisely while earning for oneself that one can think best of and for society.

Rockefeller recognized in 1909 that many business leaders were coöperating with competitors and neighbors in civic work more productive than his own philanthropic millions could be. He understands the motive: "Many men do not retire and they are the greatest builders-up in our country."

Without scrutinizing the methods used by the country's richest men or attempting to point out differences between some great fortunes and others, he says: "The great fortunes have come to men who have performed great and far-reaching services . . . who have done most for the country's resources."

Clearly he values his producing above his giving.

CHAPTER 32

A DREADFUL BACKGROUND

THE two most distinguished eulogists of Rockefeller methods are Rockefeller himself and Reverend James R. Day, long chancellor of Syracuse University. In *The Raid on Prosperity* the latter said in 1907 that not a thing

has been charged to Rockefeller's business that was not done by Rockefeller's competitors, "and [what was untrue] there is not a thing done by either that has not been recognized as legitimate in competitive trade." Rockefeller himself in *Random Reminiscences of Men and Events,* wrote two years later that the reason he had received railroad rebates was that "such was the railroad's method of business."

These two declarations are merely another way of reminding moralists that every one of us is entitled to be photographed against his own background rather than posterity's. To know what was going on and who the actors were in Democracy's drama when Rockefeller was shaping his attitudes and practices will help us understand Rockefeller better and will add much interest to Rockefeller's story.

The 1870's were the Rockefeller background which has come down in history as not only a, but the, scandalous decade. Don C. Seitz brings it to life in *The Dreadful Decade,* and says our country then "underwent some strange experiences in the way of political, physical, moral, military and financial calamities." Had there been no Rockefeller at work in that decade, it would still be known as the Dreadful Decade, the calamitous decade, when politics and business vied with one another in making high water marks of adventure and corruption. Rockefeller was merely "keeping up with the Joneses," only just a bit ahead of them, when he obtained devastating freight advantages over competitors, had neighbors spied upon, absorbed rival companies, occasioned state and national investigations, suffered indictment for criminal conspiracy, escaped trial by promising never to do it again, and paved the way for his history-making oil trust.

Neither Rockefeller nor his oil company is mentioned in Mr. Seitz's book; whether because not unusual enough in dreadfulness to warrant a place in a history of the un-

common, or because they are not associated in the author's mind with dreadfulness and scandal or because Rockefeller still lives, the reader may decide for himself.

Rockefeller's business background was torrential, cyclonic, a spiritual shoot-the-chutes, loop-the-loop and giant roller coaster. He retired from business just after the money crisis of 1893 opened the door for Bryan's free silver campaign. He became an oil refiner the year the first Ku Klux Klan started, 1862. Two years after his first venture in oil, the Credit Mobilier—a plan for handling railroad shares the way Rockefeller handled oil but without similar service to the consumer—began its short life of graft, scandal and wrecked careers. Railroads were financed by sharp practices. Times were violent. Accepted standards were lacking. Business was war. The best man won. The devil took the hindmost. In 1869, Rockefeller saw President Grant, innocently but none the less effectively, open an era of "idealists pushed aside for spoilsmen," and from afar watched Jay Gould cornering gold and using the president's own family in doing it.

The fifteenth amendment to the United States constitution, for guaranteeing the vote to the recently freed slaves, was passed the year when Rockefeller organized the Standard Oil Company, 1870. While Rockefeller was working out his plans for special railroad rebates on his own shipments and drawbacks on his competitors' shipments, James Fisk, Jr. had E. S. Stokes, who later shot him to death over a woman, arrested for trying to steal an oil company for which Stokes had been obtaining favorable rates from the same Erie Railroad that a few months later in 1872 promised Rockefeller and his associates lower rates than anybody else, plus all the excess any outsider must pay over Rockefeller's rates.

While Rockefeller was using his South Improvement

Company's promises of special advantages over competitors to gain the master hand in Cleveland refining, Congress was finishing its studies of the Ku Klux Klan and beginning to investigate the Credit Mobilier, while New York was revolting against Boss Tweed and getting ready to indict him for felony.

In 1873 when Rockefeller—a salamander, scorchable but unburnable—emerged from the holocaust of the oil war which followed the pitiless publicity given to his South Improvement program, congress demonetized silver and started the cry about "the crime of '73"; the country went into a money panic; Boss Tweed was tried twice; civil service reform began; and, so Mr. Seitz says, the navy was being patched up at extravagant rates by favored contractors.

The second half of the Dreadful Decade, 1875 to 1880, Rockefeller was making hay; Indian wars killed Custer; Grant said: "Let no guilty man escape," yet nevertheless helped some of them escape although they had "enriched themselves by frauds upon the internal revenue and charged the government for contract services which they did not perform, after first corrupting public officials"; privilege-seeking lobbyists crowded the capitol. Notorious General Benjamin F. Butler "led the house of representatives in a riot of looting," etc., etc., etc., ad nauseam.

Against such a background Rockefeller the rebate taker becomes peculiarly a flowering of his time rather than a freak of nature. A French economist, de Rousier, wrote in 1907 that the development of Rockefeller's leadership in business was "inevitable on account of the railroad situation that prevailed during the first two decades of the oil business." The same year an American economist wrote in the *Journal of Political Economy* published by the University of Chicago, founded by Rockefeller himself:

"[Rockefeller's] company is the clearest medium through which to view prevalent shipping practices and current railroad conditions of the time. All writers concede that [Rockefeller's] course has been shaped entirely by its transportation condition."

This second judgment was by Gilbert Holland Montague, a Harvard-trained man, teacher of economics there, on his way to legal work for corporations. In 1903 he had written *The Rise and Progress of [Rockefeller's oil company]*, which book was then considered about as favorable to Rockefeller as Ida Tarbell's current serial articles were unfavorable.

CHAPTER 33

À LA RAILROADS IN THE '70'S

IT is true, then, as Rockefeller says, that rebates were the railroads' method of business. It is true also as Chancellor Day said that Rockefeller differed from his competitors and from many, if not the majority, of other competitive traders more in his success than in his method, so far as rebates were concerned. The way in which his bitterest outside critics turned into defenders of his rebates after giving up competition and becoming his partners, proves that the moral attitude of his background was decidedly influenced by who called the tune. John D. Archbold testified with righteous indignation that he had spurned the invitation to join Rockefeller and others in what he called the iniquitous and unholy rebates of the South Improvement Company. After he decided to come inside those same rebates looked like public benefactions to him. As competitors, John D. Archbold, Charles M. Pratt and H. H. Rogers saw a national menace in the Rockefeller rebates they later shared. Excited as New York was over

Boss Tweed scandals, these Brooklyn refiners organized mass meetings and publicity against "enemy" rebates in 1872, but saw the same rebates with indulgent and covetous eyes after they went into secret partnership with Rockefeller in 1874.

So shameless, which means so nearly universal, were business practices that are now considered unethical, when Rockefeller started his great fortune, that it would have been almost unbelievable in 1926 that such conditions were ever tolerated in American communities just after the idealism and sacrifices of the Civil War had we not so recently experienced the aftermath of another war's exaltation. Financiers stole railroads away from other financiers and away from the stockholders. Partners in speculation one day became despoilers of one another the next day. Congressmen allowed promotion bandits to loan them stock in dubious or unlawful schemes and then worked for laws to legalize the schemes and enrich the schemers. All around Rockefeller were men, models of private morality, eager to do to him what he succeeded in doing to them.

Railroads were the big profitable gamble of the day. Vast fortunes were promised and a few were realized, as by Vanderbilt and Gould. Railroad manipulators cared little for true values and much for speculative prices of railroad stocks and bonds. It was the day of the promoter, with no blue sky laws to limit his activities. Railroad officers made alliances with other kinds of business for the double purpose of bringing trade to the railroads and profit to the officers; five officers of four railroads became Rockefeller directors. Because railroads could be enriched or impoverished by state law makers, they were baited and blackmailed. Legislators were bought before and after election quite as a matter of course, just as in Rockefeller's background of 1927, customs inspectors and traffic policemen are given presents and judges are given social and busi-

ness lifts or well-founded hopes of political preferment.

Having influence with legislatures, railroads used it for themselves and now and then for their interlocking friendships. For example, Vanderbilt the railroad king was once asked in New York if he would lend a hand to prevent the passage of a certain bill in the Missouri legislature. He didn't take time to learn what the bill was about, but obligingly wrote his road's watch-dog for Missouri legislation to head off Bill XYZ. The lawyer wired that he was sorry, he had not known Mr. Vanderbilt was interested, but as a matter of fact the bill had already passed both houses. Mr. Vanderbilt, still knowing and caring not a whit about this bill or its purpose, except that a friendly company wanted its defeat, wired back: "Kill bill XYZ." Missouri's governor jumped the rope according to schedule and the bill was killed, "just like that."

An anonymous pamphlet of 1888 in the Western Reserve Historical Library, received in 1925, gives the following picture: The Lake Shore and Michigan Southern Railroad (whose president was a Rockefeller director), was majority owner of the Jamestown and Franklin Railroad from Oil City to the Ohio line. It leased the line to itself and "then transported crude oil to Rockefeller in Cleveland for absolutely nothing, not even going to the trouble of making out manifests and way bills—while at the same time demanding from local refiners prohibitory rates over the same road. . . . It thus used the railroad property of Franklin shareholders to destroy their own property and to drive them out and keep them out of business."

The other quality in Rockefeller's background was illustrated in 1926. We hear little of such direct action these days, but like Mr. Vanderbilt's telegram, it was as common as legislation when Rockefeller was amassing his fortune. A young legislator of small income from a small town introduced a bill for increasing railroad taxes in his state.

In the early days of his bill, he was smiled at, but he handled it so well that the lower house passed it. He at once became a "man of promise." Voters like that kind of leadership. So do the railroads. But as in Rockefeller's early days, the railroads do better team work than voters when it comes to expressing their admiration for legislators. Hence this young legislator who had beaten all railroad scorn and evaded railroad lobbyists was asked tentatively to take himself out of the legislature and become one of several railroad attorneys to keep railroads informed about "unfriendly" legislation such as his own bill of 1926. He remains.

Whether by accident or design it just happens that Chairman Hepburn and Questioner Sterne of the New York assembly's investigating commission of 1879 dropped out of legislative and political activity, the former to be a "Wall Street banker" and later Rockefeller trustee, while Firebrand Dodd of Pennsylvania's constitutional convention became Rockefeller's lawyer.

Because the reputation of railroad stock among gamblers in Rockefeller's time depended more upon volume of business and plans for extension than upon net return, traffic managers scurried about seeking freight and passengers. They wanted big shipments for big profit if possible, for no profit if need be, but for strategic advantage and prestige though at a first money loss.

Was the motive always venal and dishonest? No indeed. Railroad promoters in the '70's sought new business and enlarged business even at a temporary loss, oftentimes in all sincerity, for the same reason that New York's state barge canal in the 1920's had lost so much money carrying freight for private parties that, according to Governor Alfred E. Smith, it might better have taxed the public to pay freight charges for these private parties over railroads than run the canal. To the promoter mind, there is logic

as well as lure in the argument that business comes where business is, that evidence of being busy will bring new customers, and that from strength of habit, trade which is won in the pioneer days of low profit or no profit tends to stay on and swell profit after the tide turns.

Railroad competition in the '70's recognized tactics as legitimate which are still used in wars with nations. Each general used camouflage to the limit of his ability and spies to the limit of his inventiveness. He tried to beat the enemy to a given customer, not merely by racing faster but by throwing obstructions in the enemy's way. That is still considered good tactics on the football field, where interference is just as legitimate as speed and sleight-of-hand. It was the only tactics railroad warfare knew when Rockefeller began his large-scale deals with railroads that were far more anxious to beat one another in size than to make immediate profit.

CHAPTER 34

HE UTILIZED THE BACKGROUND

SUCH being the situation, Rockefeller as a big shipper didn't have to go outside his own office in order to secure railroad favors which to-day are not only considered unsportsmanlike but are contrary to the common law for common carriers and outside the pale of inter-railroad competition. This fact is almost lost sight of in discussing the relation of rebates to Rockefeller's huge fortune. He was then in the position respecting rebates that he has been in respecting education ever since he started his big foundations, namely,—without expressing a wish, moving an eyelash, saying or writing a word, he can have a path worn to his doorstep by many competitors for his favor eager to

initiate and assume full responsibility for any unworthy and belittling proposal.

In the 1870's, it was the business of wideawake traffic agents to locate prospective shipments. A railroad agent did not wait for Mr. Rockefeller to come around and hint that it was possible he might wish to ship a can or a carload or a trainload of oil. Remembering that Mr. Rockefeller was a young man with a self-confessed passion for detail and comparison, we can well believe that rather than "go it blind" and accept the first rates offered, he was willing to go from railroad to railroad and shop for lowest rates. To help his bargaining he helped railroad rate fixers make private fortunes in oil.

The starting point for our thinking about his background, however, is that rebates originated in the minds of railroads wishing to get all the trade they could and to keep all they could from one another. Given two or three or five salesmen having exchangeable commodities or services to sell, the railroads of the 1870's did regularly what only cast-iron rules and government supervision prevent in the 1920's. They started "Dutch auctions," they competed in cutting rates. Next they did what is still considered legitimate for railroads, in spite of all our interstate commerce law and investigators, they bid up against one another in offers for service: one guaranteed earlier or faster shipment; another guaranteed better facilities at terminals; another paid Rockefeller exorbitantly for providing oil terminals.

Having exhausted the possibilities of price-cutting, which among railroads means rate-cutting, and having exhausted also the possibilities of service that might be known to Rockefeller's competitors, these railroad agents, eager for business, played the game which each felt sure the other would play—in spite of church protestations on Sunday and assurances of personal friendship on weekdays—namely, they advised secret favors to the man who offered

or made them believe he could offer incomparably large shipments.

With Rockefeller's background of the 1870's, railroads did what the overwhelming majority of them would begin doing to-day in twenty-four hours if once the interstate commerce law and the commission for enforcing it were snuffed out. They went out after business and stayed after it until one of them got it. Whatever else they did, they kept their principal competitor from getting the business if they possibly could. Wherefore at one time the great Pennsylvania road actually paid Rockefeller for the privilege of transporting his oil.

In the excitement of that kind of business getting, railroad agents quite naturally mesmerized themselves into believing that they were serving their stockholders and their country by higgling with each shipper and finally giving him an inexcusably low rate, in fact, a "fire sale" rate on condition that he would not tell any competitor. Nor is it necessary to go back fifty years to find salesmen able to look ten customers in the face and give ten different prices, each under solemn oath—with the fingers crossed or the left hand raised—that each customer is specially favored and has absolutely the lowest and unparalleled price. We do not have to go back ten years to find secret treaties among great nations, each on solemn oath that the agreement is exceptional and "most favored."

When pursued by railroad agents, "hell-bent"—permissible since Rockefeller's birthday story—on getting one's trade by hook or crook, it required no very prolific mind to devise some way of turning railroad cupidity to Rockefeller's account. By rebates on his own oil and on the 88% at first refined by his competitors, Rockefeller escaped paying any freight and in the seven years 1872-1879 left his competitors 5% and wrenched 95% of the refining for his company. Fifty years later, among recently

emigrated Jews or Armenians, not to mention Danes or Scotchmen, a similar competition among sellers would develop as by spontaneous combustion a demand for binding pledges to insure (1) secret rebates on the purchase price; (2) secret drawbacks on others' purchases; (3) secret tips about competitors' business; and (4) an alliance to help one another by throwing broken glass or sharp tacks in front of competitors' automobiles.

Elastic Consciences

THE conscience of Rockefeller's background, particularly in its business relations, was extremely elastic. Society cared intensely about what people said, especially about their professions of faith with respect to religion, politics and business. If what a man publicly professed passed muster, what he publicly did was considered as part of the game. The position of Rockefeller's public toward business ethics was quite analogous to the political ethics of the 1920's when dry voters and mobilizers of the dry vote, particularly the religious dry vote, quite generally consider that a candidate for congress or governor is dry enough if he talks and votes dry, however wet or saturated his private drinking is. Conscience and business practice were kept in different pockets. Taking rebates interfered with no man's church or social standards in the '70's, whether he shipped oil, food, clothing, ornaments or persons. It was twenty years after the '70's before the wholesale issue of passes for personal travel was legally frowned upon and even by the 1920's no public stigma attaches to the man or woman fortunate enough to have some labyrinthic or mesmeric "bypass" to a railroad pass, theater pass, fire line pass, or a reserved seat for a free church celebration and school commencement.

So eager were railroad agents in Rockefeller's time for the good will of their publics and so generally was a rail-

road considered an easy mark and fair picking for insiders and outsiders alike, that passes were used to tip legislators, inveigle freight and increase the prestige of local and central railroad offices. A local station agent could take as many people of all ages and sexes as a friendly conductor would accept as members of his family. Why should not a conductor make friends by passing people for nothing, or for a big rebate in his own pocket, when nearly every third person who came on his train flashed a pass entitling him to a free ride? So universal was this practice that "Samantha Allen's" description of Josiah's free riding a whole year on what had been accepted as an illegible railroad pass—but what turned out upon his request for renewal to be a peremptory order to remove a pig sty from railroad land—kept our country in a gale for months in the early '90's just before Rockefeller retired from business.

Adulterated Foods and Lying Scales

WHILE Rockefeller was getting the best of competitors in a game or in a warfare which was almost as common as shippers in the '70's, an unwary and uninformed public was being sold adulterated food and adulterated clothes, and short-weighted and short-measured at that. Food was known for its looks and its appeal to the palate, without worry about calories and nutrition. There was no pure food law in those days. Many a dairyman's best cow was his water pump. Selling chicory for coffee, or de-creamed and be-watered cow's milk, "got by" as uneventfully as does selling olive oil to-day made from cotton seed or silk made from wood pulp and glass. Paragons of private virtue were regularly using methods in business which later decades have begun to call dishonest and criminal.

Oliver Wendell Holmes cartooned Rockefeller's background:

"When legislators keep the law,
When banks dispense with bolts and locks,
When berries—hurtle, rasp, and straw—
Grow bigger downward through the box—

"When one that has a horse on sale
Shall bring his merit to the proof,
Without a lie for every nail
That holds the iron on the hoof."

Many states are still to-day without supervision of weights and measures. As late as the second decade of the twentieth century, ages away from the background which shaped Rockefeller's business practices, a woman's twentieth century club in a famous university town heard a talk on weights and measures. Most of them were faculty women, wives of university professors. After they had seen photographs and heard stories of short weights and measures in neighboring industrial centers, one said:

"We are fortunate living here. Such conditions could not possibly exist. My grocer is my neighbor. Our children play together. We meet socially. My butcher is the deacon in my church. Robbing neighbors and social friends is, of course, unthinkable."

Their lecturing guest then asked this group if it would not like to reduce to actual proof the contrast between dealers who sell to their personal friends and dealers who lack this friendly motive in their trade. The opportunity for missionary work appealed to them. They offered to pay for a study of their local weights and measures. They never forgave the guest who proposed it, and incidentally his salary was in part from Rockefeller, because—forty years after Rockefeller's notorious rebate contract between the South Improvement Company and five railroads—seventeen

of nineteen stores in that neighborly, friendly, Christian, university town had lying weights and measures!

Such being Rockefeller's background, it is, of course, natural that churchmen and educators, especially those who have received or who still hope to receive Rockefeller gifts, should warn the present generation to be charitable in its moral and civic judgments. The net effect of the warning and appeal is to ask each of us not to condemn our grandparents and not to adopt a pharisaic, holier-than-thou attitude toward the social conditions which fathered our present opportunities and ethical standards. Whereas even fifteen years ago popular condemnation of Rockefeller rebates and other Rockefeller business methods was so violent that congress did not dare vote its personal sentiment for giving Rockefeller a congressional charter for his hundred million dollar foundation, only five years later editorials collected from all over the Rockefeller endowed country showed almost complete unanimity in forgiving when not forgetting Rockefeller rebates. Thus do changing backgrounds change moral judgments.

PART FOUR
The Personality

35. His Personality

36. Why a Lone Wolf

37. As Nature Probably Made Him

38. Early Self-Analysis

39. Associates and Friends

40. Other Contemporaries

41. Carnegie, Frick, Gary

42. As World Student

43. As Taxpayer

44. Rockefeller Humor

45. His Reputation's Fade-away

46. Self-Starting Publicity

47. Typical Birthday Publicity

48. Efficient Press Agenting

49. Aim of Rockefeller Publicity

50. Rockefeller Myths

CHAPTER 35

HIS PERSONALITY

WHAT kind of man is Rockefeller? What is he like? What is his personality? Is he "taciturn and mysterious" as Historian Ludwig told the press after a short visit in 1928 and after deciding to write a Rockefeller biography?

First of all, he's the kind of man who could do the things recorded in this book. His deeds are a better personality sketch than any impressionist can paint or mold. His deeds show him in action, his portraits show him in repose. Between the two is all the difference between Zeus dozing and Zeus causing Olympians and their world to tremble with fear or hope, between the St. Francis of Assisi whom Sargent tried to paint in his portrait of Rockefeller and the Mussolini of America's oil industry.

Physically he is at 90 what you have seen filmed at the movies and photographed in newspapers. Posed for a long exposure photograph, his face with a little lace cap above it would be hard to distinguish from his grandmother's, if old family albums may be trusted.

Have you been surprised that one who looks so old is really alive, playing golf, giving away new dimes, and telling stories with swear words in them for publicity purposes? One southern editor wrote recently that "John D. must have started to be a tremendously old man at a very early age; he looks like a mummified hold-over from prehistoric times compared with his looks when he first got the world by the tail."

Here is how he looked at 67 when the world was trying to pry its tail loose and United States marshals were looking for him to collect the never-collected $29,000,000 fine which our present baseball czar had imposed upon his company. At least it is the way a home-town Cleveland paper described him in a first page story, July 1, 1907.

WANTED

. . . Whereabouts of John D. Rockefeller wanted. . . .
Height—5 feet 11 inches or about.
Weight—165 pounds or so [once 202].
Age—68 years.
Complexion—pale to ruddy.
Eyes—pale bluish gray; have been described as icy, peering, shifty, predatory, benign, etc.
Mouth—large, thin-lipped; has been called cruel, relentless, veracious, avaricious, greedy, generous, compassionate, etc.
Nose—somewhat long and pointed, acquisitive.
Hair—none.
Face—smooth; has been described as that of a living mummy.
Marks—no external scars recorded; may have some internally.
Clothing—when last seen wore black frock coat, dark trousers, straw hat, black hour-in-hand pinned with black pearl.
Disguise—usually wears a gray wig.
Habits—was in funds at last account. Fond of golf, bicycling and prayer meetings. Much given to large contributions to education. No known pals. Flocks by himself. Seldom appears in public. Retiring in disposition. Much given to bodyguards. Made his pile as rebate worker. Claims to have reformed.
Prison record—none.
Bertillon—no record.

Rockefeller's time budget or daily routine, carefully scheduled in advance, tells what he has been like during the period when he has given away the equivalent of fifteen

thousand American families' earnings from 1929 to Kingdom Come:

6:30 A.M. gets up
7-8 reads morning papers
8 breakfasts
8:30-8:45 plays numerica or chats
8:45-10 attends to business affairs
10:15-12 plays nine holes of golf
12-1:15 takes bath and rest
1:15-3 lunches, plays numerica
3-5 takes auto ride
5-7 rests, is read to or chats
7 dines
8-10 plays numerica, visits, listens to music by his valet or house guest, sometimes has radio or moving picture show
10 retires

Notice that there is no mention of books or magazines, no mention of friends or relatives, no recreation but numerica, golf and riding.

Aren't you surprised that there is no nap? He does nap. A very old habit. Early mornings in winters he is reported by his own publicity to work with his official biographer, a former sports editor whose tales of public men are said to have an effect which government investigators never had, namely, Rockefeller now remembers the slightest detail about his oil business.

Other Rockefeller characteristics are told in the many tales scattered through this book. His first personal biographer, a woman, sets the pace. His severest biographer, another woman, lauds his business characteristics. Friends, stranger and foe unite in photographing, painting and cartooning him as the following kind of man.

Rockefeller is extremely simple in his living and traveling,—for a millionaire with homes in Cleveland, New York City, Tarrytown, Lakewood New Jersey, Ormond Florida, and Seal Harbor Maine. Able to have anything in the world that money could buy, he has what hundreds of other mil-

lionaires would personally like more than anything else, a simple life, doing what he wants when he wants.

Rockefeller is thrifty but not stingy. "Were I a smoker I could not afford that" he once told a wealthy friend who had just thrown away half a cigar. His economy is that of the conservationist not the miser. He hates waste as nature abhors a vacuum and idealism a sterile life. He suffered physical pain from money losses because he could not brook defeat. He refuses to be imposed upon even in small purchases not because he cares for the money, but because his "money's worth" is as sacred as a moral principle. He napped after lunch not because he was sleepy but because he was a conservationist. For the same reason he refused to become angry.

Rockefeller is courageous and self-confident. It has taken courage to live his simple life, to give in the way he believes best, to flock by himself and to live his business life believing in his own uprightness and idealism as he says he always did. He rivaled Walt Whitman in being "a simple separate person . . . ultimate in his own right."

Rockefeller is unexcitable, incapable of surface agitation. His emotions know no freshets or spring floods. He inherited a poker heart and face. He could have played William Tell's boy not merely because he had confidence in his father's marksmanship, but because his arteries were leveed against unusual heart action. At 90 he has a heart beat of 54. This physiological endowment he conserved, for it gave him control of himself and leadership of others. Even Joseph H. Choate, when coaching him for the New York investigation of 1888 was astounded at his unruffled exterior. His partners "seldom knew what he was thinking but he always knew what we were thinking." He is known to have let tears escape twice: when he returned to his breakfast table after his wife's death and when in 1928 he assured friends that he would never let his birthplace go to Coney Island.

Rockefeller is not intimate. If he ever had talent for intimacy he curbed it. Intimacy means dependence and reciprocation. Neither could have built his fortune the way he built it.

He is persistent. Once having tasted railroad rebates, he never gave them up. Once having decided that he would change world hate to world adulation he "turned the trick" in little ways and big ways as thoroughly as he won in business deals. Ida Tarbell said he couldn't look the world in the face; he started staring it out of countenance. His friends said his "public be damned" policy caused them trouble; he beat them all in publicity. Made to seem uncanny, almost obscene and inhuman, by descriptions of his hairlessness, he donned a wig with Bill Lightnin's pretense of having always had hair to spare. Told that he must play golf or die, he played golf and stopped doing or thinking or feeling whatever did not contribute to prolonging his life. Convinced that his giving should be for impersonal social ends he persists in recognizing no claim on him because he was a boy in Moravia and Owego or blood kin to persons in very moderate circumstances.

Rockefeller is punctuality itself, because, he says, "a man has no right to occupy another's time unnecessarily."

Rockefeller is politeness personified. On the witness stand he forgot the A B C's of his business affairs. He forgot whatever it was convenient or advisable not to remember. He trained himself to dismiss details from his consciousness when they were in the way or not needed. But he never forgot to be polite to inquisitors, partners, competitors, employees, tradesmen, public servants or importuning reporters. Politeness was the grease that made him harder to catch than the greased pigs which played the leading rôle in Fourth of July celebrations when he was young.

The only slip in his politeness that I have run across is his forcing a ten dollar bill upon a well-to-do farmer, born

near his birthplace and near his own age, for showing him the way to the birthplace.

Politeness was a system, an asset and a necessity in his career. Many a time his apple cart could easily have been kicked over by absence of superlative politeness, while bad temper would have lost his leadership entirely. It was intelligent self-interest and not Sunday School precepts or books of maxims that developed in Rockefeller the self-control of the Spartan, the steady hand and steady eye of the marksman, the expression of the successful poker player and the humor of a diplomat, which enabled him to look into the faces of committees for wringing unpleasant truth out of him or into the faces of newspaper reporters thirstily seeking an accent or a syllable upon which to hinge a scarehead story, and to answer with disarming gentleness and suavity. When pressed unsuccessfully for his trust's minutes in 1888, Rockefeller did not refuse or look ugly or snap satire. He graciously said: "It seems to me, Mr. Chairman, there could be left some little thing that you did not exact of us; it would leave a lasting and pleasant impression of this day's experience!"

Rockefeller is innately refined. He liked nice clothes, nice manners, nice language, nice habits, nice relations even among intimates, all the niceties of courtesy. He disliked vulgarity, including the vulgarity of display. He was naturally capable of vastly greater development in appreciation of the fine arts and every-day beauty than he has achieved or his advisers permitted. Had Dr. Gates or Rockefeller's physician or Rockefeller's son in 1900 known or loved or hungered for the great things in art, unquestionably Rockefeller could have pursued art as successfully and restfully as he has pursued golf and numerica.

Rockefeller is loyal and inspires loyalty. His old gate keeper and his secretaries are devotedly loyal. His path to glory has not been strewn with scapegoats. He called John

D. Archbold his friend when Henry Ford—judging from the latter's denial in 1927 of personal knowledge that his *Dearborn Independent* had for years been fanning anti-Jewish hatred with lies—would at least have avoided claiming friendship with Archbold. His loyalty, however, was to co-workers who acknowledged his leadership. He felt no loyalty to oil pioneers and inventors. He never went to the oil men's reunion.

Rockefeller is dutiful. From his first earnings he gave duty pennies to his church. In 1893 Editor Charles L. Dana found Rockefeller giving "as an obligation of religious duty." Rockefeller reiterated to his Bible class that it was "a religious duty to earn all we can and to give all we can." From desire to duty was a short step but a necessary one for Rockefeller. "He believes that righteousness pays and what pays is righteous."

Rockefeller is convincing. He was a superior salesman, so obviously superior that he forces his extreme modesty to concede it.

Rockefeller is generous in spots with small as well as large sums of money. His giving dimes seems stingy and silly, but giving gold eagles from his fortune would be almost equally stingy, more silly and socially injurious to boot. In 1913 he was giving $2,000,000 a year to numerous charities. Unknown even to his publicity agents he has given $100,000 a year to old Cleveland friends; sent money regularly to relatives which met modest needs; kept a boy in college by anonymous gifts; enabled a school teacher to recover from tuberculosis; gotten a poor neighbor's boy cured of suspected infantile tuberculosis which proved to be a dislocated hip. He gave a mission chaplain $1,200 for a personal emergency and begged to be informed if later needs developed. He has lacked the social sense and demonstrativeness to show him where he might have been generous oftener without violating his own standards of justifiable

giving. He gave a poor couple about to celebrate their 69th wedding anniversary a thermos bottle because he did not know how to do anything handsomer.

Rockefeller is above social posing. His home has never been the scene of revelry. Foreign visitors of distinction have not known it. He has never capitalized the fact that genealogists trace him back to England's first king, Egbert, King Duncan of Scotland, who was murdered by Macbeth, and to St. Louis of France.

Financiers have not gathered there in crises to consider how to avert panic or raise sinews of war. Charitable and educational movements are not known to have started there. Religious services have not been used there to leaven a city's churches. Inventors, mechanical geniuses, research geniuses, literary lights, poets, or other great personalities and great characters have not left traces of their personality in this home of Rockefeller for half a century. The other side of this picture is that Rockefeller has never made himself absurd in the eyes of his day and generation by his entertaining. He has not been a climber or patron of climbers. He has had the strength of character to live his own life regardless of the eddies about him.

How easy it would have been any time these last fifty years, for Rockefeller to hold a world-famous salon and to earn the reputation of the most genial host in America! The world would have come to his home, as it would have come to any palace or hotel which he might have wished to lease while in Europe. The greatest editors, painters, financiers, historians, social leaders, economists and poets would have canceled other engagements and if need be borrowed money to be entertained, familiarly or formally, by the richest man in the world. He could have had lip service such as few if any potentates in all history ever had, not excluding Louis XIV or Wilhelm II. It has taken stamina and unusual character to see through all this sham and

realize that he would be no happier, and humanity perhaps less worthy, for his playing chameleon to a vacillating and parasitic world.

Rockefeller is naturally militant. He wants what he wants when he wants it but he doesn't want it until it can be had safe and sure. He can wait. His militancy is not violent. He reveled in the picture of a world without such scourges as yellow fever, malaria and hookworm. An audience makes him want to teach and preach. Chance acquaintances, valets, guests, hair dresser, French hosts and ship companions must be exhorted to be thrifty. "His sole purpose," wrote his pastor about their summer in France, "was to elevate by sensible talk." One of his Florida guards, rather than plead guilty to buying $15 shoes on $4.50 a day, claimed they were a gift. A Georgia hairdresser for his granddaughter, rather than admit twice that she wasn't yet saving money for herself and little girl on hairdressing fees, let some one else continue his granddaughter's shampooing. Militancy was poor fertilizer for millions so he restrained the militancy and concentrated on millions. All rivals who yielded to his leadership became rich; their good fortune in his camp rejoiced him.

Yet Rockefeller is modest, retiring, almost self-effacing, by nature and by training. "Just a plain ordinary man," oil pioneers say. Any other attitude would have ruined him before he got fairly started. He disproved Emerson's "You cannot institute without charlatanism." A swaggering, saber-rattling parent of trusts would never have won Rockefeller's fortunes nor his immunities. There has always been a little fiction in his modesty, a thin vein of Uriah Heap-ness. Being able to command by listening, he never needed the externals of a "commanding personality." His success he attributes to "able associates." He thought and said We instead of I as intuitively as Lindbergh, with similar effect upon co-operators.

Rockefeller is "sympathy compelling, a good listener and companionable once he admits companionship, not at all gloomy or uncheerful." The words are by Joe Davidson, the sculptor, after making Rockefeller's portrait in clay, but the sentiment is universal among the few men who have known him as a companion or as a boss. When visiting his old homes Rockefeller asks how other Rockefellers are doing, how many bushels of wheat to the acre a farmer neighbor is raising, if a good looking cow is a "twenty-five quart cow," if the hotel he stops at is doing well and would like him to pose for a snapshot. He "visits" after meals, "swaps stories," "talks just like any man," asks mothers of little children if he may make them "a present" and gives shiny new dimes to all the help except desk clerks. Of a visitor from his second boyhood home he asked about Moravia's new high school, which local tacticians feel gave an opening, unfortunately not taken, to request a liberal donation.

Rockefeller is optimistic by nature and by training. He believes the world is improving, that hard luck is a guide post to better fortune, and that the wonders of the next generation will far surpass the wonders of the last. He calls optimism "seeing opportunity in every disaster" and pessimism "seeing disaster in every opportunity."

Rockefeller is tolerant. Had he not been tolerant, he would not have been tolerated. It was good business to be tolerant, but it was also his nature, his self-training, his achievement to be tolerant beyond reasonable expectation. His power to be vindictive and resentful has been practically unlimited. There are a thousand ways he could easily have anonymously retaliated against criticism. Yet while getting what he went after in business, in the face of tornadoes, cloudbursts, tidal waves and epidemics of hostile criticism, he has not retaliated so far as the world knows. Therefore unsubstantiated claims and fears of business and pro-

fessional reverses actively inspired by him will doubtless be studied by future researchers.

When Rockefeller's few public utterances are compared with those of Henry Ford, for example, it is astonishing that he has been able to "live and let live" so tolerantly. With a power never equaled by any other man to influence human action by merely letting it be known what he believed, or wanted done, Rockefeller has remained silent as the sphinx.

College presidents feeling that their obligation to get money for their colleges was emergent enough for desperate measures, would have been glad to teach that the earth was flat, would have printed their catalogues in the maroon of Rockefeller's university, would have cut their beards for any decade of Rockefeller's recollection, without his saying one word, had he or his agents had them asked a few simple questions.

By a smile or a nod of enthusiasm or appreciation, Rockefeller has had it in his power to cause educators, social workers, professional men and leaders of women's work to jump the rope in the hope of pleasing him and to develop more hybrid thornless types among social beliefs than Burbank developed among the cactus. That he has not done it openly or surreptitiously is proof of extraordinary tolerance.

Fortunately the tolerance that affects the world is tolerance of conduct, which kind of tolerance Rockefeller has shown to such high degree that it will not be surprising if even his arch exposer, Ida Tarbell, retracts a large part of her personal indictment of him ere she stops writing.

Rockefeller's tolerance, however, is in his own personal conduct and mind. There is nothing about it which can be transmitted to his son or to his foundations, or to the clerks and agents of those foundations. There is nothing about it which prevents results identical with those which would come from intolerance. People wanting money do not stop with the expressed conditions or wishes of hoped-for donors.

They study and scheme out the tactics of approaching and appealing to donors just as Rockefeller studied and schemed out the tactics of extending oil markets and his own power over them. Until Rockefeller's General Education Board announced in its twenty-fourth year that it would no longer give money toward general college endowment, it is doubtful if there were ten college boards in the United States willing to select a man as president who was known or suspected to be persona non grata to the officers, paid or voluntary, of the Rockefeller board. This sycophancy on the part of donees is no reflection at all upon Rockefeller. It is a monumental credit to him that his analysis of human nature and his self-restraint were great enough, during two decades when direct praise would have incalculably helped his standing, to deal with institutions impersonally.

Rockefeller is fond of music, "passionately fond" his Cleveland pastor wrote. His passion has been masterfully controlled, however, for he seems never to have let musical classics take a place in his passion along with "Darling Nellie Gray" and "Beulah Land" and he has been able to love music without symphonies and operas. It seems a pity that his musical tastes and capacities have not been more developed, or that his spokesmen have deemed it strategic to give an impression of a stunted taste still hemmed in by his boyhood's country hillsides.

Rockefeller is American. World merchant, world benefactor, he nevertheless has remained surprisingly provincial and, in Wall Street lingo, a "bull" on everything American. In 1907, when under attack by state and federal governments, not to mention preachers and politicians like Roosevelt and Bryan, he was asked why he stayed here anyway. His answer to the *Cleveland Plain Dealer* reflected his personality: "As to retiring to England or Europe, it's never occurred to me to escape the responsibilities and embarrassment that wealth brings to an American. The United States

can't develop enough drawbacks to make me lose the feeling that there is no place like home. I am harnessed to a cart in which the people ride, whether I like it or not I must work for the rest. I cannot evade this responsibility if I would but I do not complain of this."

Rockefeller is open-minded and progressive. In business he never let well enough alone, never pooh-poohed inventions and efficiency proposals. In philanthropy he asked to be shown. In his home he promptly adopted new inventions for comfort and despatch. In religious observance he moved away from his original moorings and has not only kept up with but kept just a bit ahead of the tide. He even plays golf on Sunday. It is his advisers' fault not his that so little has been allowed to enter his mind or germinate in it these last thirty years.

Rockefeller is a teetotaler and a prohibitionist. His own family history, the temperance wave of his boyhood, the church tenets of his manhood and the æsthetics of his social circle made him a teetotaler. His only smoking was of mullen leaves for a cold. As long ago as 1883 he was on the advisory committee of the Women's Christian Temperance Union crusading for an Ohio prohibition law. He was one of the chief backers of the Anti-Saloon League in the fight for national prohibition. In 1913 he regretted that he could not vote for prohibition in Ohio. In 1925 when prohibition was under fire he said for publication that he believed prohibition had "resulted in great good notwithstanding flagrant violation in some places." He wrote feelingly to a man who persuaded a relative to give up drink. Had he been a drinker and smoker, hale fellow and a man about town, he probably could not have cared to be the master builder of his type of fortune or the master impersonal giver.

His uncle, Jacob Rockefeller, once earned $5 by staying sober during a whole trip "to town." An old Richford day book carries an entry charging Jacob Rockefeller $6.14 for

sundries *less $5 promised for being sober.* Other days other customers!

Rockefeller is serious by nature, playful by cultivation. He learned to play after he retired from managing a world trust. He started playing for longevity not play, desperation not recreation. It is only in his publicity that he was playful as a boy and as a fortune-builder. Instead he is a symbol of conditions where normal play was almost unknown. He lived on farms as a small boy and had as much trouble wanting to play, knowing how to play and having somebody to play with as had other farm boys before the days of automobiles and consolidated schools.

As a young man he indulged in no games and no play and found it hard to understand his own partners being able to think about play when there was so much work to be done and so much profit in concentrating on work. His standing at church and with banks and even with his partners, his opponents' awe of him, would never have become almost a superstition if, in a world of tremendous earnestness or appearance of it, he had been a conspicuous player.

Rockefeller's reserve in the days of the oil war was pictured by this story in 1926. The speaker was a man who knew Rockefeller and other oil masters. " 'I'll give you a dollar to shine my shoes, Johnny,' said an oil man, who couldn't find a shoe black, to Rockefeller's partner Archbold. 'If you'll give me the dollar I'll do it,' laughed Archbold and he actually did it. Now Rockefeller would never have done a thing like that, not only because he was not a mixer but because he never drank whisky."

He has enjoyed beautiful trees and beautiful vistas, which Earl Gray says is just as much play for some of us as racing horses or bowling or shooting ducks is for others. Earl Gray's appeal for tolerance of other people's recreation applies to the world in its judgment of Rockefeller, who has had the courage to do what he liked when he liked.

There is no reason in the world why Rockefeller should apologize for not having spent a great deal of time pretending to be amused by what amused his neighbors and only bored him or seemed a wasteful use of good time.

Rockefeller is honest-minded about his own greatness. In appraising himself, he does not take all that the law and sycophantic competitors and patrons allow. While in golf he often gives himself the benefit of the doubt and keeps supplied with doubt, in being measured for a greatness suit he wants no tailored padding. In no respect is he greater. He could easily, and without fear of successful contradiction, admit one source of greatness which a success-worshiping world has fairly itched to endow him, namely a vision in 1870 of the wonder-working possibilities of oil and of coöperation as a substitute for competition. A vain, self-adulating mind would claim what Rockefeller's heirs, foundations and biographers will be powerfully tempted to claim—prophetic genius and titanic determination to mold a world to his vision, or "the finest organizing brain since Napoleon," as Rhapsodist Winkler says in 1929. All this Rockefeller with unnecessary honesty disavows and says he "never dreamed of the magnitude" of his creation; on the contrary, he merely did each day's work as he met it, "looking forward to what we could see in the distance and keeping well up to our opportunities." He honestly but generously credits successors with many efficiency moves he failed to make.

Rockefeller is self-disciplined, self-trained to stand without hitching. Early in life he was as demonstrative over successes as modern "fans" at ball games or bull fights. He would yell, sing, dance a jig, whack a partner on the back. He even spoiled a good hat by jumping on it to express his joy. He curbed such instincts because they did not go with Success in the 1860's or with the wizardry attributed to him.

Rockefeller is Emersonially as "harsh as truth and as uncompromising as justice." Nothing else explains his losing a younger brother's affection, respect and tolerance for a few paltry dollars. He let Frank Rockefeller take his baby from the Rockefeller tomb and let him become a complete stranger, just to stand on the letter of a business contract with the brother and an iron partner. He has ignored other family ties and allowed near-relatives to remain obscure and almost penniless on a theory that heaven helps those best who help themselves. He endured publicity and world-wide contumely for business deals that meant only a drop in his bucket, rather than yield a letter of his contractual rights. He found time to rebuke a first cousin whom he had never cared to meet for letting a newspaper have family photographs.

He is keen of wit, though not witty in the popular sense of that word. He didn't have time to be witty. He couldn't afford the risks. Flashes of keen wit like telling his sculptor "I always have to carry my clay with me" and assuring reporters ravenous for his view of the market "It will fluctuate," hint at how a playful life would have developed him. It really is not easy for a billion dollars in the making to be witty with bankers, legislators, partners and competitors about to be absorbed or inundated.

Rockefeller is not a poet, nor is there evidence that he likes or knows poetry. Yet his loving long beautiful views, big trees and music, motoring faster than the law allows, singing at the top of his lungs and giving scores of millions for new truths and for life-saving by wholesale proves that he has the makings of that "true poetic sense" which is "more than all poetic skill." On his 86th birthday, July, 1925, he perpetrated one poem just for recreation. Two months later he sent it, signed, to the Cleveland Early Settlers Association with regrets that he could not be with

them in person. Little recking what they were really doing for his reputation, press agents circulated it:

I was early taught to work as well as play,
My life has been one long, happy holiday,
Full of work, and full of play—
I dropped the worry on the way—
And God was good to me every day.

CHAPTER 36

WHY A LONE WOLF

ROCKEFELLER *on the defensive is disingenuous, furtive, evasive, slippery, truthful in words but untruthful in meanings.* He evaded legal perjury, but used moral perjury to get the same result. His conscience apparently was not concerned with what his words meant to others provided he left "alibis" for himself and "bridges" for retreat. His frankness, as he answered embarrassing questions without telling any secrets, would make "human flies," tight wire walkers and ventriloquists turn green with envy.

Rockefeller is secretive and stealthy. No question is raised here about the legality or the ethics of Rockefeller's stealth. The fact is recorded as a clearly established fact for the reader to use as part of his picture of Rockefeller's personality. He could not join John Burroughs, Thomas A. Edison, Harvey S. Firestone and Henry Ford on simple outdoor picnics because he could not disclose his innermost thoughts.

His last public appearance was by way of a backstair, a side entrance, and a secret arrangement with the chairman of the industrial relations commission in 1915.

Whatever the justification, the fact stands that Rockefeller has from instinct or training, or both, practiced secrecy and stealth as have few world successes. When a small

boy Rockefeller had more drill in the precept of secrecy and the practices of stealth than in any of the ten commandments excepting possibly "Honor thy father and thy mother." Self-preservation and family pride required that he say nothing of his father's whereabouts, goings, comings and doings. He earned his first capital, some young turkeys, by stealthily tracking a setting turkey to her secret nest. He won the removal of a tree that prevented "a long view" by felling it while others were asleep. He realized that it was stealth which enabled his father to evade the sheriff. From the beginning to the end of his career, he has made secrecy respecting his father and stealth respecting paternal visits a matter of religious observance. His barber for seventeen years and a home tutor of his children for seven years claim—what is emphatically denied—that he told them "to keep eyes and ears open and retail what his guests had to say about him." Yet of guests seeking personal pointers about him or finding fault while under his roof, he would say: "That is not fair nor square."

While still young in business, he weathered the "frame up" mentioned later that helped his reputation for square dealing. When in the 1890's he wanted inside information about investments outside his own oil business, he stealthily used a personal and church connection as reported in the chapter on his iron fortune. In 1895 he retired from active management of his oil company without even the financial world's knowing it. There is, in fact, reasonable doubt whether he was not too stealthy for himself to know then that he had retired.

Other stealth used by Rockefeller, whether wisely or unnecessarily in building up his career, includes the following: He employed spies to learn facts stealthily about competitors' business. The South Improvement Plan was made in secret and was expected to be kept a secret. When in 1872

he purchased all but a few of the Cleveland refineries, it was after each seller had been sworn in writing to secrecy. When he bought the Backus refineries in Cleveland, the retained Backus officers were enjoined not to let the employees know there had been any change in management. When he arranged for absorbing John D. Archbold, H. H. Rogers and the Pratts and Rochester, Pittsburgh and Philadelphia refineries, the merger was kept a secret for years. In 1888 one important partner, H. H. Rogers, said he didn't know whether his company (Pratt of Brooklyn) was connected with Rockefeller's company. That very year H. H. Flagler, another partner, told the congressional committee that the Rockefeller interests had purchased the Pratt works which Mr. Rogers was managing, October 15, 1874. His contract with a competing Cleveland firm, W. C. Scofield, et cetera, was to be not only secret but camouflaged. Of it Ida Tarbell said: "Smugglers and housebreakers never surrounded their operations with more mystery."

As a business system he kept secrets from his associates and avoided learning facts known to them, for convenience and safety if questioned by meddling outsiders. "He would talk about anything except business," said an old associate in 1926, "business he would never discuss." His oil books had a way of disappearing, being burnt or carelessly destroyed when wanted by official investigators and prosecutors; while he set an example, followed as late as 1929 by oil officers, of being out of reach as a witness.

Rockefeller is inculpable, unmistaken, unrepentant. Never once has Rockefeller publicly acknowledged a business wrong on his own part. Despite all the recorded testimony, including much by his own partners, he has stood absolutely "pat" on his own business uprightness, square dealing and strict compliance with the letter and spirit of the law. His times thundered

"Is there not some hidden curse,
Some chosen thunder in the stores of heaven,
Red with uncommon wrath to blood the man,
That seeks his greatness in his country's ruin?"

Unperturbed he answered that he sought his country's greatness as well as his own and in its prosperity, not its ruin. "Let none presume to measure the irregularities of Michael Angelo and Socrates by village scales."

With but one exception, he has not publicly admitted that his subordinates and associates have in any specified case committed any injustice, violated the statutes, or departed from the code of business practice of his time or of his advice to young men. Illegal conduct by an agent in one specific instance was admitted by Rockefeller to the *New York World:* "In a business as large as ours, conducted by so many agents, some things are likely to be done which we cannot approve. We correct them as soon as they come to our knowledge."

Possibly having this and similar cases in mind, he wrote in 1909 that because their business expanded so rapidly, it was not always possible to recruit men for higher positions from among the youngest in the company's service. He adds,

"That some of these employees were overzealous in going after sales it would not be surprising to learn, but they were acting in violation of the expressed and known wishes of the company. But even these instances, I am convinced, occurred so seldom by comparison with the number of transactions we carried on that they were really the exceptions that proved the rule."

Having read these declarations, avowed by Rockefeller as explanations of events which the public had been misjudging because not yet properly informed, aren't you interested in the specific case to which the above cited interview related?

Out in Ohio a refiner by the name of George Rice was conducting an oil business in competition with Rockefeller's company. For every barrel of oil that Mr. Rice shipped, he paid the transporting railroad 35 cents, which was 25 cents more than Rockefeller paid. After the 35 cents was paid to a go-between representing jointly the railroad and Rockefeller's company in order to save the conscience and the financial skin of the railroad's receiver, 10 cents of it was paid the railroad and the *remaining 25 cents was paid to Rockefeller.* Thus every time Mr. Rice shipped a barrel of oil, *he paid 35 cents or 350% of what Rockefeller paid and not only that but paid 25 cents to Rockefeller, et al.*

This is one case regarding which there is no dispute whatever. The facts were admitted in the above statement from Rockefeller, except that instead of refunding the money and correcting the thing done which he could not approve as soon as it came to his knowledge, Rockefeller and his officers held to the contract eight months and refunded the money—$340—sixteen days after it became clear that their books must soon be produced in court.

Who was the "over-zealous agent" of a very large corporation "as big as ours" who acted "in violation of the expressed and known wishes of the company?" He was not an obscure agent, lacking personal access to Rockefeller. He was none less than Daniel O'Day, general manager of all the Rockefeller transportation machinery and important enough to sit with Rockefeller himself at the trial of Rockefeller partners and agents for the jury-determined conspiracy that led to blowing up a rival refinery.

Rockefeller is suspicious of unearned wealth's menace to character. In the trust deed giving his daughter, Mrs. Harold McCormick, the capital which in 1926 became notorious because of family and foundation litigation over a stock dividend on it, Rockefeller himself wrote when not expecting a public audience:

"I earnestly hope that my daughter . . . will bear in mind my belief that it would be prejudicial to the welfare of her children and their descendants to come into possession and enjoyment of large amounts of property before and unless they have attained sufficient wisdom and character to use same wisely and in order to prevent such injury to them, I am more concerned lest they receive too much rather than too little."

Rockefeller is neither educated, cultured nor studious, Walter Page said "lacking in social versatility." If Rockefeller has read little he has thought less. It is hard to understand his imperviousness to what goes by the names of "academic education" and "culture." In spite of financial ability and leisure to satisfy any yearning or indulge any desire, he is in 1929 less educated and less cultivated in the world's use of those qualities than was his untutored father three generations ago. Books, works of art, the upper and inner realms of music, the exaltation of beautiful architecture are to him neither sustenance nor inspiration, nor friends nor recreation nor associates. His conversation is more limited than his father's was. His pitiful jokes only advertise the poverty of his mind, as do his efforts to interpret the industrial evolution of which he was one most striking expression.

In the thirty-four years since his retirement, not to include years before when he did business largely from his country estates, Rockefeller has had free time enough to educate himself far above the level of the world's scholars and professional men. He might have had the ablest as guests. He might have been the confidant and encourager of the whole world's Burbanks, Edisons, Macdowells, Charles A. Coffins, Cass Gilberts, Eugene O'Neills, Edwin Markhams, Ann Howard Shaws, Herbert Hoovers, Madame Curies, Charles W. Eliots, etc. He hasn't been studious enough, purposeful and versatile enough in his thinking—

perhaps not sure enough of his mental perspective or his righteousness in their eyes—to earn their friendship.

Rockefeller differs in personality from Charles W. Eliot, Elihu Root, Chauncey Depew, A. B. See, Eldridge H. Gary, Thomas A. Edison and other contemporaries most of all not in being the world's richest man but in not having shown any evidence of a personal idea or an idea-interest in the last twenty years of his life. Golf, autoing and numerica are hardly ideas or idea-interests.

Carnegie died of a broken heart because after all that he had done and hoped for peace, the civilized nations, including his own, had gone into a devastating and brutal World War. It is inconceivable that even Rockefeller's extremest eulogist could suspect him of ever suffering for an ideal or for others' suffering in any such way.

There is not the slightest indication from anything said publicly by himself or any one of his foundations or any member of his family, that he has grown mentally since 1909. It is true that in 1915 he read a statement to the industrial relations commission which was quite as successful in evading the issues at stake as was his testimony in 1888 about his oil monopoly. But that brief of 1915 was not prepared by him and gave no indication of his being intelligently interested in any of the current problems upon which his money was being spent.

Since Rockefeller retired from active business, the world has had new experiences that dwarf all the former experiences he could remember excepting possibly our Civil War. Wireless telegraph and radio have come and made themselves at home; long distance telephoning is an everyday affair; the automobile is an everyday necessity in industry, farming and recreation, and averages nearly one for every American family; airplanes are commonplace and commercial air transportation growing; a World War has come and gone with all its problems of financial reconstruction;

former impossibles are to-day obsolescent actuals. No other human being was in equal position to set in motion forces that would express his personal interest, that would indicate his personal study, and that would equip him for helpful personal judgment. Yet not an idea does the world owe to Rockefeller personally and not an idea does the world associate with anything that Rockefeller has personally done except the idea of beating death with a golf stick and giving away money without watching how it is spent.

Rockefeller makes it clear in his reminiscences that he has not kept in touch with his foundations. He wrote in 1909 that he never in seven years had met with the General Education Board. There is not an iota of evidence or an inkling of an implication that Rockefeller has met with them since, knows what his other foundations have been doing, has studied the problems or enjoyed the marvels of invention and progress of his last quarter century,—except that a publicity statement said not long ago that he would like to live fifty years longer just to see what modern business can achieve. In 1928 a trustee for twenty odd years of Rockefeller's General Education Board wrote that he had seen Rockefeller but once.

If Rockefeller himself understood the letters he signed, as mentioned later, urging foundations to spend principal as well as income if need seemed to justify and giving $50,000,000 to promote higher pay for college teachers, he was capable of education he has not received. Future researchers will unquestionably indict his trustees and his personal advisers for allowing him at the end of his career to be a symbol of leisure unimaginatively, uneducatively and unprogressively spent. He should have been helped to overcome habits that began at a fireside of many voices but few words, where garrulous and versatile meant unreliable and selfish. When he wanted to talk he held listen-

ers; his boyhood kept him from wanting to talk for "conversation."

Science teaches that a mind like Rockefeller's is not restricted in its energy, intelligence, dauntlessness, vision, elasticity and teachableness to its business relations. By not showing these characteristics in his leisure, Rockefeller has deprived posterity and his own time of an example as precious as his giving. He learned early that money and "good habits" could be made to work for him; he never learned that ideas and versatile questioning and culture could pile up interest compounded.

Rockefeller is essentially unimaginative. His life during retirement proves it. His having a sports editor for official biographer proves it. His publicity proves it. His ignorance of his foundations' work proves it. His mental deterioration under leisure and his limited education and culture prove it. And he admits it, for he has attributed to others the ideas out of which he has wrought success. He did not see that gasoline, known first as the "oil industry's offal," would become its "meal ticket."

Yet Rockefeller is creative. Out of others' imagination he fashioned history-making organizations. Once told what others saw he could see as far as their dreams and beyond. Out of "Kerosene is the poor man's light" he fashioned a policy and a fortune. His generous responsiveness and open-mindedness fostered creativeness in associates and employees. He wanted to see "the wheels go round," to produce, to excel, infinitely more than he wanted money. If given the chance, which his physician and his advisers should have given to such character ability as his, he could have kept physically alive and still have contributed invaluably to world thought and practice instead of shriveling mentally and spiritually for want of work to do. He showed native talent when as a boy of nine he asked a neighbor's

wife if he could borrow her dog. "What for, Johnnie?" "To dog your cow off our yard."

Rockefeller is hungry for popular approval. That is no secret. It has been shouted from the housetops by those who know him best. The physician whose friendship and simple common sense showed Rockefeller how to prolong his physical life agreed with reporters intimately acquainted with Rockefeller associates that Rockefeller craves popular praise. To a recent Moravia acquaintance sending him a laudatory editorial on his eighty-fifth birthday he wrote an autographed letter of appreciation. He also wrote the editor, as he has recently made it a practice of doing. This editorial from the *Syracuse Herald* of July 9, 1924, called earlier "muckraking" criticism of Rockefeller "shallow in its mentality and vicious in its directing spirit, a miasma of perverted statement and vicious untruth."

For him the tragedy is that he misread his public in the 1890's. Hindsight proves that Americans, like Germans, do not want their emperors to run away even when revolution threatens. They like sacrifice hitters but want them to stay in the game. Rockefeller was badly advised when he decided to give to without being with and of the public.

Rockefeller respects knowledge, especially that which he himself does not possess. In this respect he differs strikingly from his only fortune-building rival, Henry Ford.

Rockefeller is alone but not lonesome. Had he been allowed and helped to grow mentally and spiritually, he would be lonesome if so much alone. Not having been a smoker or drinker he is not conscious of missing the artificial rest and stimulation of nicotine and alcohol. Never having known addiction to friendship and companionship except his wife's, which is irreplaceable, he is not unhappy without friends and companions off the golf links. Never having relied upon books and art, he does not need them. Not trained to re-create by ideas, he is not lonesome with-

out ideas. With children and grandchildren and numerous blood relations and innumerable grateful beneficiaries and maleficiaries of his bounty, he is more friendless than Clemenceau who begs the world to help him isolate himself.

While his character was setting he did not need friends for recreation. He hired the ablest legal talent but did not take it to his bosom. He had business secrets from his partners and expected them to have secrets from him. He wanted nothing from other men's personalities, he liked them for money profit.

In a joining age among a race of "jiners" he has asserted his aloneness by refusing to join. When "dear brothering" and "glad-handing" he was always as little a part of fellowship as when giving dimes to traffic officers and to strangers who like his golf stroke; it was a self-indulgence to be put on and off when Sunday and week day prayer meetings came and went.

Master promoter of coöperation in business and philanthropy, he himself remains the spiritual catalyst,—he enables millions to coöperate but himself remains unchanged, unassimilated, a foreigner.

He is pathetically alone among his foundations and monuments. He even shuns the thoughts that his giving has earned for him and for mankind. He ends his life as he began it, in isolation, four miles from town.

CHAPTER 37

AS NATURE PROBABLY MADE HIM

THE following motion portrait of Rockefeller when eighty-eight was drawn for this book at Ormond, Florida, in February, 1927. Because the press despatches from his winter home seemed year after year to be inspired by a desire to influence the public attitude toward Rockefeller

rather than to tell uncensored truths about him, a woman widely read in Rockefeller history was asked to spend a week end, particularly a Sunday church service, where the natural Rockefeller could, with no consciousness of the camera, be observed. Her penciled portrait follows:

It was easy to recognize Mr. Rockefeller the moment he came on the porch, though his alertness took me by surprise.

It was he who conducted the party, not even waiting for the usher. He carefully collected his three women and one man, showed them carefully into his pew, the third from the front, taking the outside seat where I could easily see him through the service.

No one else in the church followed so attentively. He sang every hymn and listened carefully to every word and song, sometimes turning the right ear towards the minister. This kept him erect through all the prayers except the thanksgiving after the collection. Then he bowed his head, seeming to decide that he could say this prayer for himself.

During the sermon a reference to Edison's birthday statement respecting religious belief caused him to lean eagerly forward.

After the service a large number of people came by his pew, and, standing in the aisle, it was quite easy for me to approach. Having the intention of only listening, I was surprised to have him turn to me and extend his hand and with a most friendly, pleasant smile ask if I did not find it a "delightful service," praising the sermon and particularly the young preacher.

In every way and every minute he showed the un-selfconsciousness of a thorough man of the world, taking the initiative with complete security, though courteous and attentive to everything that was said to him, showing a keen personal interest in every one with whom he shook hands.

Not a single banality. Every remark had a clear thought behind it which was expressed in simple, well chosen words,—even a certain charm of expression. For example: An imposing (weight) western woman extended her hand oh! so formally with: "It gives me a very great pleasure to shake your hand, Mr. Rockefeller." With charm and finesse Mr. Rockefeller shook her hand more cordially than usual with: "Not half the pleasure that it gives me to shake *your* hand." Then turning quickly away from

her with extreme physical alertness, making a half circle, he faced me again and as quick as a flash: "I am shaking hands with you again"—and took up the conversation about the minister just where he had left off when he shook my hand the other time.

He Likes Hand Shaking

And when there was no one else to greet in the church he walked simply out on the porch, joining the minister and a group there. When the minister said that his wife had come from Ralston, Ohio, Mr. Rockefeller said to her with a laugh as fresh as a college boy's when enjoying some pleasant thing he's saying: "I know only one town in Ohio and that is Ralston." Later he asked the minister just where Ralston was and recalled that he had passed it many times going out of Cleveland.

He was almost the last to leave the porch, and staying, he talked the pleasure that he was evidently feeling,—described his early years at Ormond when a fence shut in the church yard where each Sunday the congregation gathered. This gathering was "more important than the service." "Yes" [when his audience thought this a dig at the minister, laughingly], "I mean it—the friendly hand extended to the man who doesn't know that he is wanted brings many a one into the church. I know the value of these churchyard meetings—was brought up in a mission church—all my family learned to appreciate the importance of it—congregation of 300-400—then [dramatizing], "Why, hello, John, I haven't seen you for three days."

"This early feeling about handshaking has stayed with me. All my life I have enjoyed this thing that says: 'I am your friend.' It means more to a man than any sermon. Why, even to-day I get the greatest pleasure this way. See how I've enjoyed myself to-day. Why, I've shaken hands with some of you [a merry flash of the eye towards me—very quick] two or three times."

Then finally it was time to go. Quite independently he made his decision, his niece following. The others of his party were waiting for him at the car. He walked quickly, with energy across the yard. His chauffeur put a small black scarf and light-weight, black overcoat on him. His niece (housekeeper and companion) was the last to enter this time and they drove off simply

in a handsome Cadillac touring car, the chauffeur in simple black uniform.

At church Mr. Rockefeller wore oxford cutaway coat and vest, black trousers with a small white stripe, gray tie with gray pearl pin and black derby.

Neighbors said that apparently he has constantly house guests who play golf with him. He comes and goes without formality. If attended no one knows it. I did see the town policeman on the sidewalk before the church when he drove off.

He Is No Mystery There

These neighbors, including several shopkeepers, hotel workers, etc., all say that he is seen everywhere. One described him at a concert recently. They all know him by sight—show no special curiosity about him or special interest any more than people in a small community feel about the richest man there.

There certainly is no mystery surrounding him.

His white wig is thick and covers his entire head—looks perfectly natural even to the gloss.

While at church no member of his party stuck close to him, nor did the minister or any of the regular congregation kow-tow to him. He moved about freely and joyously, seemingly a perfectly normal human being. It would have been the easiest thing possible for a Corsican to slip a stiletto into his side any minute.

Oh, I saw him give away two of the famous dimes: one to an old woman who asked him for it. I noticed that no smile went with it, but was told that she did this every Sunday. The other to a man who brought a little boy of five, scared to death. Mr. Rockefeller stooped, gently and softly, almost timidly, slipped the dime into the boy's hand and closed the little hand over it almost before it was there. The man had asked for it.

His voice is quite agreeable, rather soft and round, with the best of English accents which has no local color or touch of affectation. His laugh has the same soft quality accompanied by a full harmony of laughter from eyes and mouth and facial lines.

No Traces of Frowning

Even in repose his face is far more expressive than any photo I know has shown. His mouth is small and tight but not of the

toothless variety, but a smile gives it proper proportion. His eyes also are small and round and rather colorless, but the light that comes into them changes their effect. His face is extremely homely, but there are no ugly lines because there are no hard or bitter lines. If he has frowned there are no traces of it.

His face, bent shoulders, long, rather gaunt hands, all tell you of age but there is no sign of sickness or even feebleness. Under his skin the red blood is clearly visible. Every effect was of remarkable vitality both mental and physical. I can conceive of his life going on from ten to twenty years more.

Passersby can easily see into his two story house with its wide gallery enclosed in glass running along the entire front, and many windows almost curtainless. The house is simplicity itself, the obvious design to make the owner comfortable and happy. Nothing could be more homelike and unsuggestive of mystery. The roadway is shared with neighbors. Visitors are not challenged. The lawns are not separated by fence or other boundary from neighbors' lawns. Mr. Smith of Pasadena, Kalamazoo or Hyde Park could not live less remotely from his neighbors. Like his neighbors and like Mr. Smith of Hyde Park, Kalamazoo or Pasadena, his house and lawn are shielded on the highway side from the passing throng by a five-foot stone wall, banked trees and shrubs.

CHAPTER 38

EARLY SELF-ANALYSIS

WHILE still quite a young man and not yet in the oil business, Rockefeller started a practice which he lived long enough to hear called self-analysis and psychoanalysis. As successes began to come, he says in his book, he seldom put his head upon the pillow at night without speaking a few words to himself like these:

"Now a little success. Soon you will fall down. Soon you will be overthrown. Because you have got a start, you think you are quite a merchant. Look out or you will lose your head—go steady."

He says he did this because he was afraid he could not stand his prosperity and tried to teach himself "not to get puffed up with any foolish notion." He is sure "these intimate conversations with myself had a great influence upon my life." To achieve a similar result in golf he hired one caddy several years just to mutter: "Keep your eye on the ball, keep your eye on the ball."

This self-analysis is probably the hardest part of Rockefeller's getting for young men and women to duplicate. It takes an unusual kind of courage to push aside and frown upon the self-satisfaction and exuberance that come with first successes. Then, too, it takes a great deal of patience and the passion for detail which Rockefeller confesses. Instead of leaving his business behind him, and instead of frequenting the "great white ways" of his time, Rockefeller had intimate conversations with himself about his errors of omission and commission. He would go over and over his business deals and his meetings with customers and bankers, as many bridge players like to live over each play by each player,—accents, gestures, tones, looks, hesitations, gains and losses.

Many of us go part of the way with Rockefeller. We live over again our day's work, especially the critical turns of it, but the great majority of us do this for the sake of convincing ourselves that we could not have done any better. We review by recoloring and reshaping until all blame for failure and mistake is pushed over to the other fellow. Our own part is molded and polished until it is as orderly and admirable as a prize soldier on parade.

No "Self Kidder"

Rockefeller had no use for the "self-kidding" kind of self-analysis. He seems to have had a genuine as well as an acquired horror of fooling himself. Among his business

principles is this: "Be sure that you are not deceiving yourself at any time about actual conditions." To this he adds two other business principles that doubtless kept his intimate conversations with himself from being mere ingrowing thoughts: "Don't lose your head over a little success. Don't grow impatient or discouraged by a little failure."

Early self-analysis showed him that he made friends when face to face with men. He went into the field to win friends for his business and won them. He went to bankers to explain his firm's need for funds and won loans. He even went into the oil regions at the time of highest excitement and bitterest animosity toward himself, confident that with his personality and plausibility he could win over at least the leading producers of crude oil to join him and colleagues. This time he failed but by no means completely.

Rockefeller's self-analysis taught him later that he was quicker minded in business than most men, that he saw finer distinctions in words and could skate on thinner ice. Thus we find him, in 1888, before the New York senate investigators, giving the impression of eagerly desiring to help them get the truth about the trust which he called a world benefaction, while actually withholding information from them and getting them into a hypnotic state where they stopped demanding the information,—believed they were giving the appearance of getting all that could be obtained.

Questions He Did Not Ask

Rockefeller's self-study seems to have been only of his business success. He does not say that he had intimate talks with himself about other elements of happiness and growth. He did not use the same method of testing his grasp of politics, history, art or literature. He was not even curious about the larger meanings of business. He had one

goal,—to paddle his own canoe across an oily sea. He tested the way he paddled it toward riches. He did not intimately converse with himself in this wise as he laid his head upon the pillow:

"Am I as successful in my ideals and my personal relations as in my business?

"Am I falling behind in my education; am I reading enough?

"Am I seeing enough of the ambitious leaders of education and literature in Cleveland?

"Am I thinking enough about my part in making Cleveland a better city in which to live?

"Am I doing all I can to understand while profiting from this terrible Civil War?

"Am I doing my full share for wounded soldiers and for mothers and wives who are left behind while soldiers have enlisted in answer to Lincoln's call?

"Am I leaving anything undone to learn what usually follows wars and how to prevent injuries to the public which is giving its entire attention to winning the war?

"Am I helping my country understand the need for coöperation in business and the kind of regulation and supervision which will encourage the good in big business while curbing its evil?

"Am I setting my best example as employer, taxpayer and citizen?"

CHAPTER 39

ASSOCIATES AND FRIENDS

"I HAVE been associated," wrote Rockefeller in the second paragraph of his book, "with the most interesting men our country has produced, especially in business."

Just think what a story there is to tell about his associates! The richest man in the world, reputed father of trusts, at one time the most hated man in America, for a decade the most praised man in the world, employer of ablest lawyers, begged of by greatest educators and philanthropists, wooed and heeded by railroad presidents and

bankers, a creator of world markets from 1870 to 1909 during the presidencies of Grant, Hayes, Garfield, Arthur, Cleveland, Harrison, McKinley, Roosevelt, Taft. What a story he might have written without mentioning a soul but a personal associate!

What Rockefeller actually gave was bare mention of twelve associates plus longer but never extensive reference to three others. He does not mention H. H. Rogers, Charles M. Pratt, Daniel O'Day, S. C. T. Dodd or other nationally-known business associates except John D. Archbold, H. M. Flagler and S. V. Harkness.

Among the few associates selected for special mention, the first, John D. Archbold, was also the first friend to be mentioned. This was after Mr. Archbold, still a vice-president of Rockefeller's company, received unhappy fame from the unexpected and unauthorized publication of letters exchanged between him and United States senators shown by these letters to be in the pay of his company. Rockefeller liked Mr. Archbold's humor and efficiency. It took moral courage and strong friendship or else giant hardihood for Rockefeller to select Mr. Archbold for first mention in 1909.

Of Stillman Witt, a Cleveland banker, little known to the rest of the world, Rockefeller tells that at a critical time, soon after Rockefeller became an oil man, Mr. Witt told the directors of his bank that Rockefeller and associates "are all O.K. and if they want to borrow more money, I want to see this bank advance it without hesitation and if you want security, here [his strong box] it is, take what you want."

Helped His First Banker

A THIRD associate is a bank president, "T. P. Handy, a sweet and gentle old man, well known as a high-grade beau-

tiful character," who had known Rockefeller as a boy in the Cleveland schools and who after hearing all about Rockefeller's business affairs and the use to which he wanted to put a loan, arranged Rockefeller's first bank loan of $2,000. Of this associate, who is also in the category of old friends, Rockefeller states—the only instance of the kind mentioned—that later he advised him to invest in Rockefeller stock and when the old man said he hadn't the funds available, Rockefeller advanced the money for him and "in the end he took out his principal with a very handsome profit." The first bathtub ever used by Rockefeller is still pointed to in the old Handy home as a relic.

Of his first partner, M. B. Clark, ten years his senior, he tells three facts: Mr. Clark wanted a junior partner who could furnish $2,000; wanted to grant a special favor to a specially large customer; and sold out in 1865 when friendly bidding for their oil refinery started at $500, rose to $72,000 by Mr. Clark and $72,500 by Rockefeller "to settle at your convenience."

Two of his own office staff are mentioned, Dr. Gates and Lawyer Starr J. Murphy.

Mr. Samuel Mather of Cleveland is brought into the story of the Rockefeller iron mines. Although he was a competitor, he was asked to represent the Rockefeller interests in getting a $3,000,000 fleet of twelve freight ships built and in managing them. In closing this arrangement, Rockefeller spent only ten minutes with Mr. Mather and said he never saw him about it afterwards. A very interesting incident is told which illustrates the honey in the honeycomb of Rockefeller association.

To avoid paying very high prices, Mr. Mather did not announce in advance that he was going to build twelve ships at approximately $250,000 each. On the contrary, he kept the number secret. Each bidder thought he was bidding against the field for one ship, at most two. Each was

delighted to get a contract for all his works could do. Each was bidding only against himself. All united finally in one company with Rockefeller, after which a more uniform price was paid.

Mr. Carnegie appears as an associate, but in philanthropy only, and with no wording to indicate that he and Rockefeller ever talked the matter over.

One other business giant is given passing reference, though with not a word to indicate that he and Rockefeller ever had a conversation or exchanged letters. That is J. Pierpont Morgan, credited by economic historians with being the foremost agent, as Rockefeller was the foremost example, in organizing world trusts and demonstrating the economy of business coöperation. His reference to Mr. Morgan is for the financier's part in preventing a more serious panic in 1907:

"To Mr. Morgan's real and effective help, I should join with other business men and give great praise. His commanding personality served a most valuable end. He acted quickly and resolutely when quickness and decision were the things most needed to regain confidence."

Dr. Simon Flexner, in charge of Rockefeller's medical research, is given half a page, is called large hearted but not otherwise described.

A two and one-half page story about a boy saved from death by Dr. Alexis Carrel of the Rockefeller Institute for Medical Research is reprinted as it was sent to Rockefeller, with no hint that he had ever met Dr. Carrel.

Finally comes a half line reference to President J. M. Taylor of Vassar College.

This is the sum total of Rockefeller's references when threescore and ten to associates who are not also counted as friends.

Why so skimpy about associates?

It seems hardly natural that Rockefeller, having been associated with the country's "most interesting men," should himself have failed to remember them or have chosen to avoid mentioning them and relating stories of interest about them.

It was probably not Rockefeller himself who deprived us of thumb-nail sketches and interesting anecdotes about characters who helped him shape our nation's history.

It is more likely that his collaborator and adviser had in mind the limits of magazine articles, rather than the limits of public interest in the incidents and persons which shaped and were shaped by Rockefeller.

A contributing explanation is that Rockefeller knew the economic forces his associates represented, especially how he could use those forces, better than he knew their personalities.

Rockefeller Friends

Looking backward from his threescore and ten years, Rockefeller wanted to write of old friends, mental pictures of whom, he said, came most vividly to his mind. His first chapter was on old friends.

"Above all other possessions," he said, "is the value of a friend in every department of life without any exceptions whatsoever. They should all be held close at any cost."

This reminder of friendship's importance created an atmosphere of sympathy with an audience among whom he had long had the reputation of being friendless. His creed of friendship came almost as a shock in 1909, following Ida Tarbell's terrible picture in 1905 of a man who repelled friendship.

Rockefeller names in this beginning chapter his father, mother, and four friends, three of them business partners and one a banker who loaned him money. In addition, he mentions or comments upon actions by three unnamed

friends and an unnamed landscape architect. In later chapters he mentions two who befriended him; and a pastor friend, Reverend Thomas W. Armitage, an "old and distinguished friend, for some forty years pastor of a great New York church," is briefly mentioned to prove that the oil industry was considered a most hazardous undertaking.

The only two pictures of a friendly character betokening personal relations with a strong hold upon Rockefeller memories, but not connected with his business, are of his unnamed argumentative landlady, and President William R. Harper of the University of Chicago founded by John D. Rockefeller.

President Harper is pictured as a charming guest who was welcomed by the whole Rockefeller family. The friendship which lasted many years began at Vassar College where both Rockefeller and young Professor Harper of Yale were occasional week-end visitors over the same Sundays. In spite of President Harper's reputation for getting the first large Rockefeller gift and his cartoon reputation of chasing Rockefeller for more gifts and always being ready with a yawning pocket when Rockefeller's oil went up in price, Rockefeller testifies that this charming personal friend never asked him for money when a family guest and never talked finances.

What Rockefeller says of this sole human being mentioned by him for a friendship not based upon money service of some kind to himself sets an interesting standard:

> "Dr. Harper was of exquisite personal charm . . . of lofty ideals . . . of contagious enthusiasm. . . . As a friend and companion in daily intercourse, no one could be more delightful . . . able to secure not only money but loyal support and strong personal interest . . . a genius to whom is largely due indirectly [and quite hyperbolicly] the present splendid university system of the Central Western states."

Two other partners, H. M. Flagler and S. V. Harkness, are called special friends and given respectively four pages and one. Mr. Harkness once said, "All right, J. D., I'll give you all I've got," but this was after an earlier experience not mentioned by Rockefeller when more loans by Mr. Harkness were on condition that Mr. Flagler go into the business to watch those loans.

Mr. Flagler evokes Rockefeller enthusiasm. They worked shoulder to shoulder with desks in the same room, lived but a few rods apart, went to and from business together twice a day, did their thinking, talking and planning together. Rockefeller does not say here, what he testified elsewhere, that the big vision was Flagler's not his own.

This is all that Rockefeller has to say of that friendship which he calls "valuable above all other possessions." The tides of memory's ocean, flowing and ebbing, rising and falling on a beach of vivid impressions in a mind that always had a "passion for detail" mention no other friendship, no other reason for personal gratitude.

No teacher is mentioned, though he still recalls special indebtedness to two Owego teachers, Reverend William Smyth, principal and Charles R. Coburn who taught mathematics—as he had written for this book.

No public man outside his own business, or his own philanthropy, and only seven in those two fields.

No great lawyer, although he had been served and coached by the country's greatest.

No great artist, painter, sculptor, landscape architect, musician.

No great inventor or invention.

No great writer, or book or magazine.

No fellow church worker.

No religious leader, for inspiration or sermon.

No neighbor friend.

No great editor although "there were giants in those days."

No play or pageant.

No inspiring speaker or speech.

No helpful maxim.

No playfellow and no recreation except walking and the beauties of trees and winding paths, planting and moving trees at a profit, and playing landscape gardener with a special talent for disclosing beautiful "long views."

No natural or man-made beauty on the ocean, in Europe, or in home travel.

No beneficiary whom it had been a personal joy to help except one banker who had given him his first commercial loan.

No business genius.

No public officer or statesman or even talented politician.

No one he yearned to be with or hear from.

No one to whom he is in debt except money creditors and bankers, his father for keeping him "tested" in ability to pay money debts promptly and his mother for disciplining him.

As suggested elsewhere it simply is not humanly natural that Rockefeller's own book does justice to his memory of friendships and his gratitude for them, in spite of his agreeing with Mr. Flagler that "friendship founded upon business is a good deal better than business founded upon friendship." Here, as elsewhere, we must remember that we are dealing with a man of extraordinary self-restraint, of a lifetime's discipline in self-repression.

The fact that Rockefeller does not specify friendships, either intimate or casual, while Carnegie and a thousand other autobiographers revel in them, need not mean any more as to what is actually going on in Rockefeller's heart than do the differences between the owl and the crow.

In his book he does not mention his wife, who was then

living, yet to outsiders it seemed that for over a half century he cherished with her a friendship seldom equaled in either helpfulness or satisfaction.

The published utterances of Rockefeller in a few interviews and reports of Sunday school talks, in remarks to Cleveland neighbors at the testimonial gathering tendered him in 1905, etc., lack confessions of intimate emotions and incidents, not necessarily because Rockefeller lacked the emotion, but because it has not been in his nature to express emotion publicly. So far as it is important for Rockefeller to be humanly understood, this is his misfortune; in his own life joy it may be his greater fortune,—unless it is true as many have feared that God left out of farm-reared Rockefeller the normal human's need for friendship.

CHAPTER 40

OTHER CONTEMPORARIES

A MAN is known by the company he keeps. While few famous men keep company with all the leading men of their time, it helps us sense a man's height, weight and personality if we put him in a picture with the leading men of his time.

Few men of any era have lived among as many stirring events and noteworthy men as has Rockefeller. He is so uncommunicative that the world has not been told how at different critical times in his life he was influenced in his acting, feeling, seeing and enjoying by other men who were paralleling him in the creation of new conditions and opportunities for mankind.

In Rockefeller's time twice seven wonders of the world have been discovered or invented and applied for man's use and enjoyment: railroad expresses, telegraph, telephone, wireless telegraphy, radio, flying machine, moving picture,

x-ray, radium, antiseptics and antitoxins, automobiles, electric light and power, pneumatic machinery, trolleys, mass production, skyscrapers, Red Cross, steel plow, harvesters, Christian Science, mormonism, osteopathy, university extension, etc., etc.

He has seen, and contributed mightily to, the birth and world-wide development of the automotive industry.

He was five years old when Professor S. F. B. Morse sent the first telegraph or long distance writing *What hath God wrought* from Washington to Baltimore. He was thirty-seven when Professor Alexander Graham Bell found he could talk and be heard over the first telephone or long distance talking device.

He has lived through the administrations of seventeen presidents, from Martin Van Buren to Calvin Coolidge. He remembers our own Mexican, Civil, Spanish-American and World wars besides the Franco-Prussian and other European and Asiatic wars, the soviet revolution in Russia and Italy's fascist revolution.

He was six years old when Andrew Jackson died and thirteen when Daniel Webster and Henry Clay died. European statesmen like Disraeli, Gladstone, Bismarck and Mazzini made their records in his maturing years.

He is a contemporary of Lincoln and Roosevelt, Edison and Burbank, Burroughs and Whitman, Greeley and Emerson, Mark Twain and Will Rogers, Barnum and Beecher, Florence Nightingale and Jacob A. Riis, Darwin and Agassiz, Carl Marx and Clara Barton, Cyrus Field and Peter Cooper, William Lloyd Garrison and Booker Washington.

If contemporaries impressed Rockefeller, if he was conscious of definite influence from or definite interest in great contemporary personalities, he does not hint it in his reminiscences.

So far as Rockefeller contemporaries have, through their

own autobiographies or other biographies, indicated the contemporary personalities who influenced them, they retaliate in kind upon Rockefeller, for with the exception of a bare mention in Carnegie's autobiography and three anecdotes by Henry C. Frick, there is not a whisper about Rockefeller. He and his life work did not make sufficient impression upon them to compel or prompt recognition of him as an object of special interest.

Joseph H. Choate does not mention Rockefeller although he had been his counsel and referee in important litigation that required meeting and coaching Rockefeller.

Carl Schurz does not mention Rockefeller in his memoirs of 1908.

Although Mr. E. H. Harriman could hardly have achieved his power in the railroad financial world without Rockefeller backing, his biographer, George Kennan, does not speak of Rockefeller.

Carl Hovey's story of J. P. Morgan's life in 1912 credits Morgan rather than Rockefeller with the new era of cooperation in business and gives Rockefeller no influence upon Morgan, although the latter's activities as a promoter of enormous corporations followed Rockefeller's building of the oil trust by a generation. Rockefeller mentions J. P. Morgan appreciatively, not as a builder of industrial cooperation, not as a person whom he has ever talked with or met, but as a mobilizer of financial power during the money panic of 1907.

Andrew D. White, Henry Watterson, Henry George, Walter Page, Goldwin Smith and a score of other interpreters of Rockefeller's time have found no niches for Rockefeller's personality and achievement in their life stories.

James Parton, writing in 1884 of forty-six *Captains of Industry,* did not include Rockefeller, then head of an oil trust that was frightening the world.

Francis E. Leupp in 1918, when painting forty-nine

National Miniatures of strong personalities, did not include Rockefeller, although the latter was world-famous as trust builder, champion fortune builder, efficiency pioneer and money giver on an enormous scale.

Rockefeller is not mentioned in Roosevelt's autobiography in 1910, though his business methods are.

Carnegie's autobiography of 1914 mentions Rockefeller's giving, himself joining Rockefeller's General Education Board at Rockefeller's request and his own coöperation with Rockefeller in giving, without citing any incident, however. Otherwise Carnegie makes no personal reference to Rockefeller. He does not speak as if he had personally known Rockefeller. On at least one occasion newspapers reported that on Carnegie's birthday he had taken John Bigelow to call upon "that youngster John D. Rockefeller" then far past 70. But how Rockefeller seemed to him or influenced him is in no way stated by Carnegie.

Why does Rockefeller fail to mention his leading contemporaries outside his own partnerships and why do Rockefeller's giant contemporaries and their biographers fail to mention him? Perhaps one answer is that Rockefeller seemed rather a force of nature than a person; it is not easy to personify an ocean, a mountain, a great wind or electricity.

Rockefeller and Roosevelt

When describing his effort as President of the United States, after Rockefeller's retirement as oil company manager, to secure governmental protection against "bad trusts" Roosevelt says in his autobiography:

> "[Rockefeller's company] took the lead in opposing all this legislation for a department of commerce and labor, a bureau of corporations and thorough-going governmental regulation and control over all big business combinations engaged in industry. . . . Through their counsel and by direct telegrams and letters

to senators and congressmen . . . they did their best to kill the bill providing for the bureau of corporations. I got hold of one or two of these telegrams and letters, however, and promptly published them; and as generally happens in such a case, the men who were all powerful as long as they could work in secret and behind closed doors, became powerless as soon as they were forced into the open. The bill went through without further difficulty."

Although Rockefeller claims that he actually retired in 1895, and although he himself proposed government chartering and regulating of trusts in 1900, Roosevelt insisted that the above-mentioned telegrams of 1903 were sent to several United States senators by Rockefeller himself. A later Roosevelt reference distinctly includes Rockefeller because it concerns the days when he was the guiding spirit and all-powerful chief of the great corporation he created:

"This [opposition by Rockefeller's organization to government studies and regulation] was natural because it had been the worst offender in the amassing of enormous fortunes by improper methods of all kinds at the expense of business rivals and of the public, including the corruption of public servants.

"If any man thinks this condemnation extreme, I refer him to the language officially used by the Supreme Court of the nation in its decision [of 1911 as quoted on page 31 by which Rockefeller's trust was] adjudged a criminal conspiracy and its dissolution ordered."

Roosevelt always prided himself upon holding friendship with other big trusts while attacking Rockefeller's trust. He claimed he could make headway so long as he did not unite the opposition.

While Rockefeller gave ill health as a reason for not accepting the president's invitation to talk over the government case against him at the White House and while theoretically he had retired, he broke his silence and his lifelong policy of keeping out of newspaper controversy to say through the press in 1907:

"The [Roosevelt] policy toward great business combinations of all kinds can have only one result. It means disaster to the country, financial depression and financial chaos."

Of this Roosevelt wrote to President Scull of Bryn Mawr College that Rockefeller's denunciatory interviews meant merely that he was hurt by having the truth published.

Rockefeller and "Uncle Tom's Cabin"

In Rockefeller's most susceptible years of adolescence, when he was thirteen years old, *Uncle Tom's Cabin* was published. This was two years before Rockefeller left home to attend school in Cleveland in 1854. His boyhood essay on Freedom, with its protest against slavery, shows he was imbued with its call even if he had not himself read it.

Rockefeller and Garfield

Rockefeller and Garfield were at and near Cleveland in school in 1854. It was Garfield's last year at Hiram College, Rockefeller's next to last year in high school. Garfield was twenty-three, headed for the law; Rockefeller fifteen, still headed toward college. Both were born poor, although Rockefeller had never known such poverty as Garfield. A few years later, Garfield was openly opposing slavery. Rockefeller, business man, did not consider it his business.

Rockefeller and Lincoln

When Rockefeller bought his first business partnership in 1858, Abraham Lincoln was stumping Illinois for the United States senatorship in the country-stirring debates with Stephen A. Douglas. If Rockefeller had any thrill of enthusiasm because of Lincoln, there is published no word thus far to show it.

When Lincoln was elected in 1860, Rockefeller was twenty-one. How did he vote? Did he vote? We only know that he was then growing rich and did not allow any enthusiasms or excitements respecting slavery and union to interfere with his rainbow and its pot of gold and that by Lincoln's reëlection in 1864 Rockefeller was paying an income tax of $17,000. Tradition says he strongly but unsuccessfully advised his youngest brother against enlisting when the call came for men, lest he lose the chance to make money, and refused to loan him money for a uniform.

Rockefeller and Colonel Drake

While Rockefeller was making money by selling grain in Cleveland, a man known as Colonel Edwin L. Drake was looking for oil in various parts of Pennsylvania. Rockefeller's business was what is now called "a sure thing," or "playing both ends to the middle." He was a go-between, with a commission for going between. Some one having produce to sell would send it to him to market for a commission. No matter what the price was, he received his commission. If it went up, or if it went down, the buyer or the seller might lose but Rockefeller got his commission. He did not own the produce. He changed owners of it for a commission. He never speculated.

Drake did nothing but speculate. He mentally bet that he would strike an oil well in western Pennsylvania where oil was being found in salt wells when not wanted. Finally he was discouraged and almost gave up. He went back for one more try and in 1859 struck oil at Titusville, which gushed fortunes untold for hundreds, including Rockefeller, but not for the man who struck it. When Drake died, he was a pensioner of "friends in the regions which he had filled with fountains of wealth." Rockefeller was not among them.

"Drake's well" is still talked about in Titusville by "old timers," but most young people haven't troubled even to visit it, except to patronize the lunch wagon and dance pavilion nearby. Encyclopedias and school histories, even McMaster's, pass Drake by. Rockefeller has erected no monument to him of marble or words. He never visited the first oil well, former associates maintain. Not a cent or other expression of interest in the locality that almost over night put the civilized world in its debt has ever come from Rockefeller, except for $10,000 he gave toward a Y.M.C.A. in Oil City in response to a very personal appeal from a very personal associate. An old timer said in 1926 that Rockefeller's name had never been mentioned at the oil men's annual reunions.

Other Oil Benefactors

NEVER in any public way has Rockefeller mentioned other pioneers in making oil a world necessity. His gasoline fortune is due largely to a mechanic in Sterling, Illinois, as is Henry Ford's fortune. Both are as indifferent to Henry Berger and his first gasoline engine of 1876, and to his employers, J. B. Williams and B. E. Orton of Sterling, as most of mankind is to the ladder upon which it climbs. Rockefeller has never mentioned Samuel Andrews, the refining expert whose skill gave Rockefeller a one cent advantage over competitors, or Hugo Frasch, the chemist who by taking sulphur out of Lima oil made Rockefeller a lean-to fortune of many millions.

CHAPTER 41

CARNEGIE, FRICK, GARY

FEW contrasts in personality are more interesting than that between oil king and steel king, Rockefeller and Carnegie. Born in the same decade but four years apart, both became enormously rich. Both beat world records in large gifts for education and philanthropy. Both retired from business when still young and powerful. Both gave away fortunes while living. Both started fortunes in oil at about the same time, Carnegie leaving oil for steel. Both became near-monopolists. Both owed their super-Crœsus fortunes to superior organizing ability—applied particularly to securing special rebates from railroads. Both experienced decades of hatred and fear from their fellow citizens. Both lived to see their names applauded, even when not revered, in educational and religious circles.

Using different personalities in two different industries but in much the same way, both came out as like in material fortune as two peas in a pod. Yet the personalities were so different, due to different inheritances and different early self-training and environment, that they were as far apart as the two poles in their power or desire to evoke friendship and in their methods of enjoying the fortunes they achieved.

Carnegie loved people. Rockefeller shunned people.

Carnegie won strangers by his smile and cheer whether he wanted to win them or not. Rockefeller won strangers when he wanted to by proof of business capacity and sound business offerings.

Carnegie proudly watched his gifts. Rockefeller, cuckoo-like, left his benevolent eggs for others to hatch and his benevolent progeny for others to rear.

Carnegie was a mixer; Rockefeller a recluse.

Carnegie loved the spotlight and reveled in flattery. Rockefeller shunned the spotlight and if he ever loved flattery, he wanted it so camouflaged that the flatterer must doubt Rockefeller's believing himself flattered.

Carnegie played upon the weaknesses of other people. He publicly testified that he not only arranged for an annual trip of his foundation trustees to New York, but to make sure they would come, he arranged for the wives and daughters to have at least one trip a year to New York at his expense. "A little bit of canny Scotch," he said, in explaining that under those circumstances there was always a full meeting of his trustees. Such open admission that he understood the human weaknesses of the big caliber men on his foundation boards was beyond and perhaps beneath Rockefeller.

Carnegie had so much confidence in his own smile and in the world's adulation of his colossal wealth that he deliberately set out to break down the barriers between him and those who criticized him. He wrote books and spent fortunes advertising them, and in them he was no wall flower. He went into every manner of public place at home and abroad. Ready of tongue and a good handshaker, he enjoyed meeting working men or kings. Usually he won them.

John Burns, later secretary of labor in the British Cabinet and famous for his leadership of the London dock strike of the '80's, in 1899 told me this story of an encounter with Carnegie such as Rockefeller would never in the world have invited:

Carnegie came into the visitors' gallery of the House of Commons while John Burns was making a speech. This was shortly after the Homestead strike in the Carnegie mills. With bitter passion, Burns described some of the scenes in that strike, such as "laboring men being shot down by Carnegie's hired emis-

saries." Pointing to the gallery, he shouted: "There sits the arch-enemy of labor and of mankind, Andrew Carnegie."

Imagine Rockefeller, after such an experience, seeking out John Burns! If Mr. Burns tells the truth, Carnegie did seek him out some years afterward. A member of the House of Peers, with Carnegie in tow, greeted Mr. Burns on the promenade outside the house of parliament with "Mr. Burns, Mr. Carnegie wishes to shake hands with Mr. Burns." The labor leader's own finish to the story is this: "Mr. Burns does not wish to shake hands with Mr. Carnegie."

While Rockefeller was communing with himself at night and warning himself not to become conceited, Carnegie was having intimate conversation with his superiors in the railroad business and later in the steel business and untethering his self-confidence and genial conceit.

Just before the Civil War, Carnegie says that he got into an argument with a railroad vice-president upon whom his own business fortune depended and stuck to his defense of Lincoln until he had said to this superior officer: "In two months they'll be hanging men who talk like you." Rockefeller took no such chances. The only debating just for the sport of the argument of which we have record, is his debating with his landlady about the rate of interest he was getting for his father on private loans. He attributes his own good temper in this case, you remember, to the fact that "she fed us well."

Carnegie wanted to know the people who begged for money. He liked to talk with them, tantalize them, and then perhaps give them the money after they had abandoned hope of getting it. Rockefeller saw the danger, inefficiency and perhaps the selfishness of such giving and arranged to have petitions treated "on their merit after investigation" so that there would be no difference between those who knew him personally or succeeded in seeing him personally and others who were less fortunate.

Carnegie gave his money away from his own control

when he endowed foundations and picked men with independence enough to refuse his own requests. Rockefeller has from the first kept control of his foundations in his office.

Carnegie gave himself with his gifts. He loved to talk about the details of his gifts. He loved "the feel" of wanting to give, in spite of the reputation he had of loving to find reasons why he should not give. Rockefeller eschewed that kind of impulsive human pleasure as a Quaker forswears the pleasures of dress. Richard Watson Gilder was once at Carnegie's home on "the laird's" birthday when, to express his 100% joy, Carnegie gave money to every appeal of every kind that came to him in that birthday mail. Rockefeller could never do that, not because he lacked the money, but because he lacked and disliked such self-indulgence by himself.

Carnegie retained ability to thrill to all the simple stimuli that pleased him when a boy and that pleased the neighbors around him. He loved classical music, but he loved the simple old-fashioned tunes including the bagpipe. Rockefeller schooled himself to outgrow and automatically decline boyish pleasures, although he indulges himself in simple and old-fashioned music at home.

Carnegie could no more have given dimes to relatives, personal friends and traffic policemen, or to complete strangers near him when he made a clever golf stroke, than he could have pulled their ears. Rockefeller does it because—well he's just different, that's the kind of man Rockefeller is.

Speaking of golf, both Rockefeller and Carnegie are accused of "snitching" if not cheating, Carnegie quite without abashment or apology, Rockefeller more philosophically. Carnegie laughed about others' cheating, while Rockefeller deplores cheating, especially by ministers.

Rockefeller and Frick

THE first contemporary to find a place for Rockefeller was Henry C. Frick, ten years Rockefeller's junior, a Carnegie partner and successor. Two stories are credited him by his biographer in 1928, Colonel George Harvey, the man who made Wilson a candidate for president and unsuccessfully tried to unmake him.

Mr. Frick found too late that Rockefeller had foreseen the demand for iron ore with better economics and liver imagination than the steel men themselves had. Carnegie was proved wrong for writing in 1892 that "any of our brilliant and talented young partners" would better keep away from iron ore. He may have been right about Rockefeller's reputation but he was certainly woefully wrong about Rockefeller's merit when he wrote that "Rockefeller's reputation now is one of the poorest investors in the world."

Because the steel men saw too late what Rockefeller saw early they had to come to him in 1901 for ore. J. P. Morgan was asked to beard the lion but said he "wouldn't think of it" because "I don't like him." He finally subordinated his feelings to hoped-for profit and asked Rockefeller for an interview. Rockefeller declined to see the trust organizer down town because he had retired from business but would see him at home "on only personal matters."

The interview was short. Mr. Morgan made an "outside" offer for the Rockefeller ore. That ended the talk. "Mr. Rockefeller expressed regret that Mr. Morgan had put himself to unnecessary trouble, owing doubtless to his previous message and suggested that he talk with his son, who had charge of such matters and would undoubtedly be pleased to wait upon him."

With the younger Rockefeller Mr. Morgan began: "Your father wishes to sell ore." That ended the second interview.

John D. Jr. rose and said he had "no information to that effect and was sure his father had no such intention."

Commenting upon the son's action Rockefeller said he didn't know if it was wise or not "but if I had been in your place I should have done precisely what you did."

Since the ore must be gotten somehow Mr. Frick sought an interview with Rockefeller which would be "wholly private and confidential." The response was "prompt and cordial." The meeting was at Rockefeller's country seat at Pocantico Hills. Rockefeller said he "naturally suspected" the purpose of the visit, was not anxious to sell his ore properties and "frankly object to a prospective purchaser arbitrarily fixing an outside figure. I cannot deal on that basis. That seems too much like an ultimatum." (And too much like the way he bought others' properties in his prime.)

He then asked Mr. Frick to name a price, put himself in the latter's hands implicitly and got $5,000,000 more than the Morgan offer.

Rockefeller refused to listen to a plan by Mr. Frick for settling the oil suit of 1907 to 1911 out of court.

In 1914 Mr. Frick was initiated into Rockefeller's indoor substitute for golf or poker: "He pulled a funny game on me (numerica), played on the table after luncheon, that I couldn't make head or tail of."

Rockefeller and Gary

THREE months after Rockefeller's 87th birthday, Elbert H. Gary, the head of the "steel trust," celebrated his 80th birthday. Rising at six A.M., shaving himself, reading three newspapers in bed, Gary worked at his office until quitting time, five o'clock. He said he had no intention of retiring and "declared himself to be as fit as he had ever been in his life."

He did not isolate himself from work or friends or tele-

phone calls as did Rockefeller. He did not urge the world not to worry nor broadcast recipes for longevity and happiness.

Instead he carried his big load another day forward. He enjoyed a serenade by negro singers from Fisk University. He saw fifty newspaper men and questioned the practicability of a five day week; credited prohibition with increasing workers' efficiency; discussed bad direction of labor unions here and in England; praised Mussolini; believed the question of war or peace not ended; confessed at length his fondness for opera and negro spirituals; praised the press; said no newspaper man had ever violated his confidence; called "honesty, absolute honesty" the first essential to advancement; and insisted that with "honesty, energy and fair intelligence any young man can become successful in this country."

Rockefeller at 80 had been in retirement twenty-five years. Gary at his 80 received resolutions from the American Iron and Steel Institute expressing gratitude for his "wise, farseeing and able" leadership in "stabilizing the iron and steel industry" and praying that he "be spared for many years, in health and vigor, to continue to guide us."

Rockefeller was press-agented. Gary was news. Rockefeller was in a bayou. Gary was in the stream of life. Rockefeller was giving money. Gary was giving service, ideas and ideals.

Rockefeller's octogenarian birthdays and the days between exemplify a current theory that making money is less noble than giving money and that working responsibly in business is less enjoyable than playing or working temperamentally and fugitively at "philanthropy."

Gary's octogenarian birthdays and the days between exemplify a competing theory that business service and business idealism, even if they make money, are the highest type of true philanthropy for a business man.

Had Rockefeller been better advised, he would have stayed in the harness, grown with, perhaps ahead of, his time, kept his mind young and his heart "in tune with the infinite" as he has been unable to do on the sidelines protected from honest criticism by the lust of religion, education and charity for his money gifts and their money-raising moral support.

CHAPTER 42

AS WORLD STUDENT

SIX months before the shot was fired at Sarajevo in Servia June 28, 1914, which was heard 'round the world and kindled the World War, Rockefeller said:

"The purses of civilized nations have been opened generously to the needs of the poor, which is another notable evidence in the outgoing year that the spirit of good will is destined to be world-wide. A spirit of international amity has gained control of right-thinking men, having as its aim the building of a peace melting pot for the nations of the world."

As we know, well-informed diplomats and students of international affairs knew at that time a world war threatened. Rockefeller, out of active business it is true, nevertheless was a member of a group that had business agents and personal relations with ambassadors and ministers in every part of the globe. Evidently no responsibility was felt and no interest taken in the oil wells or threatening fires of world politics.

He refused to buy bonds of warring nations in 1914, saying: "Some may be partly in the right but all are in the wrong."

In the years when we were participating in the World War, Rockefeller made just one contribution other than of money. On April 4, 1917, two days before Congress de-

clared that Germany was making war upon us, and two days after President Wilson had called for a declaration of war, Rockefeller was quoted in the press as follows: "The hour has arrived for Americans as a unit to stand behind the president in this hour of national peril."

Rockefeller had lived through the inflation and business disruption that followed our Civil War. He made millions upon millions in that period by following what he calls "the laws of trade." As a world trader and financier, he lived through similar conditions in France and Germany following the Franco-Prussian War. He was a personal power, business power and financial genius after our Spanish-American War. He must have known what was bound to happen after the World War. Yet there is no evidence that he or his benevolent organizations gave the public one protective idea, one helpful warning, or that they organized to give the public and the world the benefit of research with respect to the problems of reconstruction which were the most important problems in the world after 1918.

His Foundation gave money toward a war library and toward research into labor problems shortly after the World War, but so far as is recorded by 1929, neither Rockefeller nor his foundations have helped society grapple directly with the colossal problems and opportunities following the World War. Nor have most of the colleges he endowed even included world affairs in their courses of study.

CHAPTER 43

AS TAXPAYER

ON the huge fortune invested in foundations under his control, Rockefeller has paid no taxes. As parts of that fortune have passed from time to time to colleges and other benevolences, they have been marked *perpetually tax-exempt unless taxpayers amend laws and constitutions.*

On another huge fortune invested in Liberty Bonds or bonds of public taxing districts—state, county, sanitary, park, school—thus far held to be not subject to federal taxation, Rockefeller pays no federal income tax and probably no other tax.

On no one knows how huge a fortune invested in money-making concerns he pays no tax because the tax is paid at its source, namely by the corporations which pay him dividends.

On most of the lands, mines and houses he owns he pays local taxes, also state taxes on mortgages and certain other investments, but for income taxes he first subtracts certain losses and debts.

Does he pay his full share? He has always maintained that his full share was the least he must pay, the maximum he could be compelled by law to pay. In this conviction he is like most of his fellow men.

Rockefeller differs from most other men as a taxpayer chiefly in his freedom to shift his investment where he need spend a very small share as taxes. His published 1925 federal income tax of under $1,500,000 proves his success in legally evading taxes and his preference for tax-exempt fortunes better than it proves his having made himself one of the poorer multimillionaires by giving his fortune away.

Rockefeller pays taxes on his New York City residence, now 167 x 100 ft. with house and garage. His chief counsel, trying to prove Rockefeller's simple living at the time of the Buffalo conspiracy trial in 1886, said this "simple" property had cost Rockefeller $600,000. Eight years afterwards, the house and land was assessed for taxation at $165,000. From 1907 to 1911 he paid on $820,000 with 25 more frontage feet. For nine years on only $680,000. In 1927, after the city had moved up to this house, after land in its neighborhood had become the highest priced in the world when for sale, after it took $160 to equal $100 before the World

War the same residence was assessed for taxation at $710,000 or 18% above its purchase price in the 1870's. For 1928 it was assessed at $725,000. A specious defense is given that his block is zoned for residences to the exclusion of business, but this has not prevented other properties from trebling in market value; nor does it prevent using sites for skyscraper apartment houses.

In spite of the dollar's depreciation, the city's growth and the special demand for New York sites, Rockefeller's assessment went down 10% from 1907 to 1927. The house value for taxation, $50,000, must be much less than it is insured for or would sell for.

Although New York tax laws say that all property shall be assessed at its full market value Rockefeller's own residence is assessed at nearer 30% than 100% of its true value. Six residence lots adjacent, now in his son's name, were assessed less in the depreciated currency of 1927 than in the pre-war value of 1913 before the Rockefellers bought them, though worth a million more; for 1928 they were raised 5% above the pre-war level or to two-thirds the assessed pre-war exchange value.

Time after time the year after Rockefeller money bought a new house and lot on two streets to protect the 54th street residences of father and son tax officers obligingly reduced the valuation.

Despite the economic and tax rule that when several adjacent realty holdings are brought together under one ownership the value of each piece rises Rockefeller ownership has been granted tax cuts as it has consolidated holdings. Thus Rockefeller money is not only given a rebate for blocking the natural development of realty in his neighborhood, while also protecting his residence, but is also thereby allowed to shift taxes on several million dollars of realty value to wage earners, renters, small business, stores and factories.

Rockefeller wealth, philanthropy and publicity make tax favors to Rockefeller closely personal to unfavored renters and taxpayers. The widely lauded Rockefeller success in ousting Robert W. Stewart from the chairmanship of the Standard Oil Company of Indiana, mentioned briefly in the foreword, gives special point to proof in New York City and Westchester County that the Rockefellers have not considered oaths about their taxes as sacred as others' oaths about oil deals.

Rockefeller's growing 8,000 acre suburban estate in New York is at Pocantico Hills, and is called *The Gardens of Kujkuit* (Dutch for Indians' "Lookout") in his privately circulated description de luxe. It is now in his son's name. It is assessed at but a small fraction of its full value.

One piece of 238 acres was assessed exactly the same in 1926 as in 1915 before the dollar fell to 58c. and before auction prices of less desirable Westchester land doubled and quadrupled. Another piece of 550 acres went up in assessment $4,675 or only $8 an acre in eleven years although it had been grossly underassessed in 1915. Two parcels dropped in valuation for tax purposes, one from $185,000 to $100,000, another from $71,000 to $55,000. Yet, his county's teachers were told that there was no money for salary increases to offset in part the dollar's 40% depreciation since the war.

Many a Rockefeller gift that was telegraphed around the world two or three times was less than the public has lost by assessing Rockefeller's two New York residences below the minimum prescribed by the law. For example, if an ultra-conservative estimate accepted $1,360,000 as the value of Rockefeller's city residence, the 1928 assessment at $750,000 means an annual loss of over $16,500 or the income on over $400,000 in tax-exempt bonds.

When in 1929 Rockefeller's son added to the Pocantico estate by buying a whole village, Eastview, newspapers said

he paid "three or four times the assessed valuation." This underassessment compared with other parts of the county would have been impossible had Rockefeller's adjoining large estate been fairly assessed.

Not Rockefeller's Fault

Obviously it has not been Rockefeller's fault as a taxpayer if public officials have underassessed his property and undertaxed it unless his agents have overpersuaded assessors. Quite as obviously it has been his opportunity as a citizen to use his influence for compliance with the law by tax officers.

Inheritance taxes will be largely—and legally—evaded by Rockefeller's fortune; the evasion will be more in dollars than all he has given away. By transferring it to his family while living he will save for his heirs and keep from the public—except as his heirs use it in their own way for the public—several hundred million dollars that would go in taxes if he left the disposal of his fortune until after his death. In preferring to evade this last tax collector, Rockefeller is just like most other wealthy men and millions less wealthy. It is true that he is freer to do this in the 1920's than in the 1890's when he had a business load on his shoulders. He has had time to abdicate by degrees without taking undue risks; many men of wealth are cut off before they begin to abdicate.

Tax Griefs

If Rockefeller has legal tax-dodging down to a science, it is not because he has lacked many adventures, even "close shaves" in besting the tax laws.

In 1913 newspapers carried telegraph despatches that Rockefeller had had the assessment on his home property

in North Tarrytown reduced $250,000 which newspapers said would save him $250 a year. He had won this reduction by court action.

Readers of this despatch doubtless asked themselves questions like these: "Why shouldn't Rockefeller have his assessments reduced if they are actually too high? Why should he accept a rate of assessment which would be unfair to his neighbors; just because he has more money should he be treated unfairly?"

Probably a few others asked, "Isn't it probable that Rockefeller would do more good with $250 than the Tarrytown trustees?" Or perhaps, "For what percentage of its total value is Rockefeller's property assessed?"

A little later, February 5, 1914, Rockefeller's Ohio home county, Cuyahoga, set out to make Rockefeller pay a tax of $12,000,000. His personal property was officially estimated at about $9,000,000,000. The public statements said that the law imposed a penalty of 50%—over $450,000,000—if the tax was not paid in five days. Answering the charge that Rockefeller was still a resident, his attorney said: "Mr. Rockefeller will fight this to the highest court in the land. It is preposterous to suppose that just because he was forced to remain here during the winter by the illness of his wife, he has acquired a legal residence. He has already paid his taxes for the year in New York, his legal residence." There was a great to-do about this at the time. The members of Ohio's state tax commission and Governor James M. Cox said they would back the attempt to place Rockefeller's personal property on the local tax duplicate. An effort was promised to force Rockefeller to tell in court the amount of his riches and to list all of his securities, bonds, mortgages, bank deposits and other wealth just as other residents of that county were, and still are, required to do. The case went to law and Rockefeller won, his residence was not in Ohio.

Later, after John F. Hylan became mayor of New York, Rockefeller's personal property was assessed at $10,000,000 in the fall of 1918 for the next year. Rockefeller protested. He was willing to pay taxes on $5,000,000, although his personal property was worth only $3,500,000 but he would not pay on $10,000,000. New York backed down, partly because the laws had been changed so that much of Rockefeller's property was legally exempt from personal taxation and partly because it seemed better business to let Rockefeller be responsible for his own conscience and to get for the city all that it could get from a willing Rockefeller, rather than have him move his technical residence out of the city and pay no taxes there.

For personal taxes Rockefeller was left off the list several years. The reason for this was Tammany tactics, not evidence. He is down tentatively at $1,100,000 for 1930, but will probably swear it off. His son who holds the bulk of the fortune is down for only $500,000. New York is tolerant because swearing off personal taxes is, as Mark Twain said, an addiction among the rich.

On a fountain imported from Italy, Rockefeller refused to pay customs duty. He claimed that it was entitled to come in untaxed as a work of art and an antique. He lost and had to pay when the court agreed with the customs agents that his "Black Venus" fountain was not an original but a reproduction of an antique work of art.

An Alternative Rôle

One of the most interesting questions about Rockefeller is what he could have accomplished for humanity had he—in 1870 when he started his oil company, or in 1882 when he started his oil trust, or in 1892 when he started the University of Chicago, or in 1902 when his General Education Board started or in 1913 when his Foundation started—

decided to put his light as a taxpayer on top of a bushel and to be a model taxpayer.

Supposing Rockefeller had believed and had determined to help others believe that no money was better invested or more philanthropically invested than tax money efficiently spent, what could he have done in the last fifty years? What if any difference would it have made in his fortune, or in his surplus available for philanthropy? What difference would it have made in the intelligence and efficiency with which tax dollars are now spent?

Supposing Rockefeller had not only complied with the tax laws, but had joined with other taxpayers in studying the results of tax laws and ways of improving them. Supposing he had led or joined in governmental research as to inequitable assessing, specially assessing for special benefits from public improvements, tax waste and high spots in efficiently spending tax moneys. How would the results have compared with the benefits of his big giving through foundations? He and the country were on the high road to answering these questions when his son and counsel—unknown to him possibly—chloroformed and crippled that kind of research, as related later.

One important question prompted by Rockefeller taxes the public will find itself compelled to answer before long, namely, whether it can afford to exempt properties used for benevolent, educational and religious purposes from taxation. Since Rockefeller established his foundations, he has retained the same practical control over the spending of their every dollar which he would have had if he had gone on spending from his private office. Men whose tastes run to horse racing, patronizing theatrical productions or breeding fine stock pay taxes on income so used. If Rockefeller's taste had run to money-making educational enterprises he must have paid taxes on all income so used.

Had Rockefeller kept as a private benevolence fund the

nearly $300,000,000 which he has in two foundations, he would have been taxed every year many millions of dollars.

If our present laws continue, if our present rates of taxation continue and Rockefeller's heirs continue to prefer the rôle of philanthropist to the rôle of business man, they can do exactly what they want to do with foundation capital and save taxes amounting to many million dollars a year. So can other heirs similarly inclined.

Because exemption must go to property rather than to person, and because lines cannot be drawn between the Rockefellers and the O'Hooligans or Steinbergs, or between conservative and radical religious and civic activities, society everywhere must soon wonder if it can afford to tax all of us to let endowers indulge their philanthropic tastes in their own way, tax all of us to maintain churches or schools in which many of us disbelieve, tax business on the theory that wealth invested in philanthropy and religion has some virtue not attaching to money invested in business.

CHAPTER 44

ROCKEFELLER HUMOR

IN his reminiscences Rockefeller had opportunity to show his native humor. He indulges a playful, casual tone begotten, however, of his cicerone's worldly wisdom rather than his own nature. In all, there are fourteen bits which give an idea of Rockefeller humor. They are a trifle granity, Vermontish, Coolidgelike, yet doubtless accomplish in Rockefeller's feeling what bolder forms of fun reflect for others.

Making light of life or neighbors was taboo in Rockefeller's boyhood homes. Young people did not win credit or display highmindedness that way. College had no chance

to teach him "self-expression." He always carried deference and purposefulness on his sleeve.

Although the landlady of his young manhood boarding house violently opposed the usurious interest he secured on loans by his father, he "certainly was her friend because she fed us well,"—at only $1 a week for board and lodging.

He chuckles at his father's testing him by asking for repayment of loans when it was inconvenient to pay and requiring 10% interest. There is a bit of humor at the expense of the reader here, too, because after the very first months, Rockefeller could hardly have been embarrassed noticeably by demands for any sums the father was able to loan.

He enjoys the joke on the rest of his family when he cut down a tree while they were napping, to secure a better view from the breakfast window.

He relishes his memory of two whippings by his mother, one begun while she thought him guilty but finished for safety's sake after she knew him innocent, and the other in spite of the extenuating fact that although disobedient he had helped save a neighbor's life.

To illustrate "the well-developed sense of humor" of John D. Archbold, his partner and successor, he tells that the first he knew of him was his signature in an oil region hotel register, way back in the 1870's, "John D. Archbold, $4 a Bll."; and that when asked his occupation by an investigating committee, Mr. Archbold answered, "To clamor for dividends."

He cannot help smiling at a contract accepted by his partner Mr. Flagler where a mullen stalk was given as the south end of one real estate line.

He liked an optimistic ore shipper who admitted he could not see the boat he was gazing for, "but she's most in sight."

He declares that there had never been any water in

Standard Oil stock, because "perhaps we felt that oil and water would not have mixed."

He enjoys remembering an Irish neighbor who explained Rockefeller's planting the neighbor's ugly place out of sight, by saying that "Rockefeller couldn't stand the sight of my prosperity."

He never needed to speculate because "the oil business itself is speculative enough."

He dismisses his defense of rebates by quoting a Bostonian who said, "I'm opposed to the whole system of rebates and drawbacks—unless I am in it."

He confesses much amusement from the cartoonists' pictures of President Harper chasing him around and bobbing up at most unexpected times to request millions for the University of Chicago.

He took criticism as part of the game of his big business, or at least his sense of humor and sportsmanship told him that he should do so, and at seventy declared that criticism had not embittered him or left him "with any harsh feeling against a living soul."

He admits his family hired a great landscape man to make sure he did not ruin his country estate.

These fourteen points are the sum total of humor flashes in Rockefeller's *Reminiscences*.

However, no man without a keen sense of humor could disdain his fellow man, including the world's greatest, as Rockefeller has done. He could have induced or compelled fealty from the mighty, but he has seen "what fools these mortals be" and has "passed up" the passing show.

Fictitious Humor

In later years newspapers have printed what purported to be Rockefeller witticisms and jokes but they are very feeble

unRockefellerish efforts which bear ear-marks of "press-stuff" origin.

The Rockefeller joke furnished to the country's newspapers June 5, 1926, was part of the publicity gun that practically served notice on every free lance writer and at least on every Sunday editor and feature syndicate that a special Sunday story for Rockefeller's eighty-seventh birthday was due in a little over four weeks. The entire story is repeated here as it appeared in the *New York Tribune* and was widely telegraphed by the *Associated Press,* because it illustrates a carefully planned drive by Rockefeller publicity agents to create an atmosphere of sympathy and friendly interest in place of a still persisting atmosphere of question if not dislike. The reader will notice that in several respects the story here credited to Rockefeller is quite completely out of keeping with his personality and principles:

Mr. Rockefeller, playing his regular game of golf every morning, laughs and jokes with his friends. Here's one of his latest stories:

"Coming up from the south and on the train was a woman pestering the conductor with questions. She became a great nuisance and annoyed the conductor. Finally she asked him, 'Conductor, why is it that you wave your hand to the engineer when you want him to start instead of pulling the bell rope?' 'Why,' replied the conductor, 'when I wave my hands it means, get the hell out of here.' Later a man who had heard the remark said to the conductor, 'You should not have talked that way to that woman. She is the wife of one of the directors of your road.' The conductor rushed back to apologize. In a few minutes he returned and the man asked him, 'What did she say when you apologized?' 'Hah, she didn't say anything, she just waved her hand.' "

It is late in life for Rockefeller to tell any story the point of which is "Get the hell out of here." Secondly, it is quite out of keeping with his long lifetime's discipline in the

proprieties for him to give national publicity to a woman who, if the story were true, could be easily identified. For Chauncey Depew to tell that same story would have meant nothing but a clever revamping of some warmed-over story. For Rockefeller to tell it and to give the impression that he was sitting in a smoking room democratically with a dozen other passengers, is a confession of the mechanics used by magicians to produce an illusion in the eyes and minds of audiences.

Other jokes advertised as Rockefeller humor, several of them revamped old stories, include the following:

A young girl in her first love affair received her first kiss and, much perturbed, decided to confess the fact to her mother. The mother was much amused. "Ah, only once?" she asked, raising an admonishing finger. "I came to confess, not to boast."

It seems there was an Irishman whose name was Mike and Mike went into a restaurant to order a meal. He had just been paid and wanted a little of everything on the menu card. He ordered olives. When they came he nibbled one, put it back on the plate, nibbled another, put it back, and stopped after trying three or four. Another customer came in, sat down at Mike's table and ordered olives, too. Mike looked at him curiously, then asked, "Do you like olives?" "Yes," said the stranger. "You're a damn liar," said Mike.

It seems there was a race horse whose name was Enza. A man went to the races and bet heavily on Enza but his heart sank lower and lower as Enza lagged behind, then just at the last moment "Influenza."

A Yarn Addict

Rockefeller the nonagenarian does what Rockefeller the young business man could not possibly have enjoyed doing, he tells yarns. Contrary to the habits of eighty years, he has become an addict to anecdotes, possibly for "mental

snuff" as Goldwin Smith says of Lincoln, but probably from a determination to prove former pictures of him wrong. When visiting his boyhood homes he sits "just like any one" swapping yarns with impromptu lobby gatherings. He is elastically fitting himself to an age that never reveled as he did in self-restraint and aloofness. Like the little boy who didn't want to be an angel yet, Rockefeller "wants to play some first."

Most of the so-called Rockefeller humor comes second-hand from interviewers, reporters and biographers; much sounds far more like them than Rockefeller; the subtlest and best is his.

Elbert Hubbard said Rockefeller carried no check book when golfing. Once when appealed to by the former for $500,000 Rockefeller refused and refused even the loan of trolley carfare. Asked if his guest might have a drink, Rockefeller said only if he'd spit the water out on the green as a token of war-time economy.

"Aren't you afraid of being devoured?" Rockefeller affably asked a Texas attorney who came to the Cleveland golf links in 1913 with a subpœna in the suit of Texas against Rockefeller's oil company for alleged violation of anti-trust law.

"I hope this is not another U-boat. You can never tell where these submarines will arrive next," Rockefeller explained in 1916 as a motorcycle whizzed toward him and seven guests at the last putting green.

"How long do you expect to stay in Cleveland?" asked Pastor Bustard of Rockefeller in 1916. "I don't care if I never get back to New York, if you keep on preaching sermons as good as you preached this morning."

When Cleveland newspapermen asked Rockefeller if he would talk about submarines, Wilson, Billy Sunday, war, he smiled benignly and said: "How cloudy it looks! It does seem we'll be having more rain, doesn't it?"

Stories that Rockefeller was suffering from acute stomach trouble created a hearty laugh at Forest Hills. "I have nothing to worry about or make me sick," Rockefeller said with a chuckle. "You know Charlie [his barber] I don't gamble on Wall Street."

Three cameramen tried to wheedle him at the church door into letting them take his picture. A thin hand waved in a gesture of entreaty, warning and command, and a hopeful expression faded away only to be revived by "Not now boys, wait till after church, but do come in and attend the services." Another story said that he made it a condition, *i.e.*, "No church, no photo."

"We are proud of our national sense of good humor," said Rockefeller to a newspaperman, August 9, 1907, during the Roosevelt anti-trust campaign. "If we must have little family jars, why should we let the outside world laugh at our angry faces? Why waste the energy we need to build up the country in tearing each other to pieces? If evils have crept in during the marvelous period following the Civil War, can we not do away with them without destroying the whole fabric? Admitting, for the sake of argument, that the business world is a patient that needs treatment, must it be an heroic operation and must it be said of the result that the operation was successful but the patient died?"

"Optimism is the keynote of American success. The harder we fall, the louder we laugh and in the laughter we forget our hurts and tackle the job with renewed vigor. I well remember when my granddaughter was a tiny lass. I was sitting in my study when I heard a great commotion in the next room.

" 'What are you up to?' I shouted.

" 'Nothing, granddad,' came the reply. 'I just tumbled down stairs.' "

During the Buffalo trial a witness against Rockefeller's company said his former employers, a Rockefeller concern, told him: "If there was any oil to be sold at a loss, let it be the [competing] company's oil." The newspaper report said this answer "made President Rockefeller, who never sells to lose, laugh heartily."

When the confessed tool of a conspiracy to blow up a competing factory was asked if he had said, "now I'm going east to bust up the [Rockefeller] company," the news report said, "Mr. Rogers winked at President Rockefeller."

When his Cleveland pastor complained of the difficulty of getting a house to live in at $100 a month, Rockefeller pretended to be shocked that a preacher had the worldliness to want to pay that much.

When the reverend passenger observed vast columns of smoke issuing from a standing railway engine and seriously asked if Rockefeller had ever investigated any processes to prevent the waste of coal, Rockefeller referred him to the editor present saying that newspapers knew all about such problems.

"You have a novel machine [automobile] there, John," said Rockefeller to the grandson of a former partner. "It rides easy. Must have cost you a lot of money. I think I'll buy one myself when I can afford it."

Told that the cost of running an auto depended upon the cost of gasoline he replied: "I think perhaps I can afford to buy it."

A Rockefeller workman at Pocantico has a son called Weatherstrip. "You see, Mr. Rockefeller, dat chile was bo'n just befo' de wah and Ah calls him Weatherstrip 'cause he done kept me out of de draft."

Asked to build big churches he would, he says, often tell preachers that he would build the temples as soon as overcrowding made them necessary.

In 1923 when asked what the stock market would do he said, "I think it will fluctuate."

Butt of Humor

FAR more humor has been directed at Rockefeller than by him. There are twenty million Americans ready with the

witty suggestion that cheaper gasoline means fewer gifts to colleges and that higher gasoline presages a new Rockefeller beneficence. A few typical smiles provoked by Rockefeller incidents follow:

Rockefeller's concern for the poor was satirized by a poem about monopolists who get indigestion eating cream in order that there might be skimmed milk enough for their employees and neighbors.

"It is not strange," said the *Buffalo Express,* May 8, 1887, during the conspiracy trial attended by Rockefeller, "that the country should manifest the liveliest interest at the spectacle of its pet octopus pinned to a board as it were just as if it were an ordinary devil fish or even a poor sucker."

"The milk of human kindness should be kept at a warm even temperature. *Maxims of a mere millionaire,"* said a Cleveland paper on Rockefeller's giving a thermos bottle to a couple wedded sixty-five years.

"What junior office boy would do if he were John D" was printed by the *Cleveland Press* July 4, 1907, while Rockefeller was hiding from United States marshals:

"Just look at the swell time the ile king has hed for the lest 2 weeks
he couldent go to the ball gaim
he couldent go to the matinay
he couldent walk down the mane strete and pipe the daims
he couldent go to church by golly
he couldent do nuthen but wot a weesel or a woodchuck does—hide in his hole
he wants to be rite hear in this U.S. runnen the rushen's fianses wile teddy is bizzy studyin the blooprints of his lier's club bildin
. . . i guess its a hole lott of fun aint it havin 17 thousand billyen dollars an havin to live down seller in a empty sider barrel wile the U.S. marshals is sniffin around the kitchin.

A popular song, "Poor John" was parodied a few days earlier to picture Rockefeller viewing the $29,000,000 penalty imposed by Judge Landis, but declared unconstitutional by the United States Supreme Court. The chorus ran:

"The Sheriff took us round to see Judge Landis!
Judge Landis! Judge Landis!
And oh, the way His Honor, frowning, 'canned' us,
While all the populace was looking on.
He put me through a cross examination;
I fairly boiled with indignation;
Then he shook his head,
Looked at me and said:
Poor John! Poor John!"

Will Rogers lured Rockefeller to an evening lecture at Ormond in 1927. Two jokes were widely telegraphed as having been greatly enjoyed by the world's richest man: "If you haven't a car, John, I'll see that you get home all right" and (after golf), "Well, John, I'm glad I didn't beat you; last time you were beaten gas went up two cents." It is said Rockefeller did more giggling than putting while on the greens with the reigning humorist.

Rockefeller says he is handsomer inside than outside. "Handsome is as handsome does."

CHAPTER 45

HIS REPUTATION'S FADE-AWAY

THE Rockefeller reputation has changed so completely in a generation that it cannot recognize itself in its earlier guise.

In 1900, Rockefeller was dreaded and openly criticized everywhere. Editors wrote against him. Ministers preached against him. Business men condemned him. Foes and apologists alike commonly referred to him as "the most hated man in America." To-day, in 1929, Rockefeller is praised,

almost revered, in every section of our country, especially by colleges and churches; in Latin America where Rockefeller money has helped governments starve the hookworm out of existence; in Belgium where Rockefeller money helped rebuild Louvain University; in France where the Cathedral of Rheims and Versailles palace are being restored with Rockefeller money; in England and China where Rockefeller gifts have helped universities and built hospitals; in Geneva where he has given a library to the League of Nations.

In 1910 to 1913 Rockefeller had skilled agents trying to persuade our congress to charter a non-commercial, benevolent agency for giving away money, or for doing welfare work in any part of the world, that was to be called the Rockefeller Foundation. Such, however, was the Rockefeller reputation even as late as 1913, and such was public sentiment throughout the nation, that congress refused the charter. The press was overwhelmingly opposed, critical and resentful. To-day, a critical word, even a reminder of Rockefeller's former reputation, almost never appears in magazine, newspaper, book, sermon, public speech, or private conversation.

In fact, Rockefeller's reputation to-day elicits the last word of praise for personal thrift and morals, open-handed philanthropy on a huge scale, love of more golf rather than of more wealth, religious zeal with tolerance, devotion to education, understanding of competition's wastefulness and combination's efficiency. His reputation of a generation ago is as nearly lost as the palaces of the Pharaohs under Egypt's sands or the astronomical observatories and Mayan civilization under the forests of Yucatan.

Some of the change in the reputation of Rockefellerism is due to time's softening influence, some of it to Rockefeller philanthropy and the publicity naturally growing from large gifts, some of it to desire on the part of college and

church leaders to secure Rockefeller gifts, and some of it to adept Rockefeller publicity.

Time's softening influence changes all reputation. Germany's war lord, Emperor William II, seems quite different to-day. German flyers in 1928 placed wreaths on the tomb of our Unknown Soldier at Arlington and former German soldiers marched with the American Legion in Chicago's Memorial Day parade. Andrew Jackson and Theodore Roosevelt have few critics now, yet Jackson had millions and Roosevelt tens of millions when they lived. Rockefeller playing golf and giving away money takes on quite a different form from Rockefeller building a world trust. We are all human. We take a long view of historic figures and judge old men by the mellowing fruits of their old age rather than by their actions at the height of their achieving.

Until man ceases to want money, he will soften his judgment of people who have made great fortunes, especially those who have given away or may still give away large sums. It is almost impossible for a man or a nation to retain harsh feeling toward any man or woman who publicly gives away millions at a time. Rockefeller has given away hundreds of millions in the broad daylight of publicity.

Had Rockefeller announced that his money would be given away only to Baptist churches because he is a Baptist, then Methodists and Presbyterians and hospitals and colleges would have changed their opinions of Rockefellerism much less rapidly. Since, however, any one of any creed or any work might reasonably hope for some Rockefeller money, it has been extremely difficult to feel antagonistic and more difficult still to advertise antagonism. Thus it is that the leaders of all good works have had extra and personal reasons for seeing Rockefeller, his family, his employees and his trustees in the best possible light.

Even cut-throat competition is looked upon differently to-day. It is now quite generally admitted that "everybody

was doing it" when Rockefeller did it. In fact, four out of five successful business men in 1929 shrug their shoulders over earlier criticisms of Rockefeller and say: That's merely the way business used to be done. Rockefeller should not be picked out for special censure just because or even if his working the old methods gained him the biggest fortune in the world.

"Let the dead past bury its dead!"

CHAPTER 46

SELF-STARTING PUBLICITY

ROCKEFELLER publicity has been a very important factor in changing the world's attitude toward Rockefeller. It is automotive, has power within itself to grow and create more reputation. This publicity has been good humored, forgiving, most skillful, cumulative and of many guises. It would have been potent if not aided by time, large giving and the cupidity of Rockefeller's fellow man. With their aid, it has achieved wonders. It has not only removed the leopard's spots but has changed his face. It has materially affected the writing of history and the wording of economic principles.

Typical of green-house Rockefeller reputation is the following from the *Saturday Evening Post* of February 6, 1926:

> "I believe it can be said with accuracy that John D. has met all the problems that life presents to a man—fatherhood, personal purity, finance, duty to posterity, longevity, religion—and answered every one with brilliant finality. It is simply stupid to think of such a man first and last as only a maestro among the go-getters of trade."

How this reputation is made elastic enough to include other members of the Rockefeller family is typified by the fol-

lowing paragraph from the same article in the same widely circulating journal:

One Unpurchasable Gift

"A SUPREMELY beautiful thing John D. has done in raising, training and endowing a son who seems to be not only all that a father's love could wish but all that he should be as the inheritor of power mighty for either good or evil."

Seldom in Newspapers

WOULD you naturally expect the world's richest man to appear often in newspapers and magazines? What he does and wears is news. His slightest word is telegraphed and printed. His casual pleasantry to policeman or newsboy is news. His jokes are news. What his children and their children's children say and do is news. His public messages on the anniversaries of his birthday and his first job are occasions for thousands of news stories and editorials all over our country. Yet Rockefeller has been in the limelight less in ten years than Henry Ford in many a single week.

For 1913 to 1925 there is a complete index to practically every mention of Rockefeller in the *New York Times*. In these thirteen years there were 4,798 issues of this newspaper, 4,798 different days for possible mention of Rockefeller in the daily news without running over one mention an issue. Adding 4,798 editorial opportunities, there were at least 9,596 daily chances to refer to the world's richest man and biggest money giver.

How many of these 9,596 possibilities of putting Rockefeller in the news and editorials do you suppose the *Times* took? Not 9,596, not half that nor one-third nor even one-fifth but nearer one in twenty. The news items were 455; editorial and other comments upon him totaled 39. This means an average of only 35 news items and 3 editorial

comments a year for the world's champion fortune builder and champion money giver.

The nature of the 455 news mentions is quite as interesting as their fewness: his personal affairs like birthdays, travel, Sunday School talks, shiny dime gifts, etc., had 161; his large gifts 82; his taxes and his homes and gardens 61 each; his investments 51; his utterances about public and political questions 20; his golf 19.

Are you not surprised? Only twenty comments on politics and public questions by the world's richest man in thirteen years and most of these only short references of no special consequence! During three years not a single comment upon these topics appears.

During 1917 and 1918 when his country was in the World War as an active participant, Rockefeller was quoted three times on the world's affairs and mentioned 54 times in the news, chiefly for purchases of Liberty Bonds which he himself called investments rather than gifts. His total subscriptions never reached a point where they hurt. Like other men of enormous income reluctant to pay enormous surtaxes, Rockefeller bought more Liberty Bonds exempt from taxation after the war when the country no longer needed his help than during the war when it did but when it also frankly advertised its preference for the largest possible number of small buyers rather than the largest possible purchases by a few buyers.

The banner year for Rockefeller news was 1914 when he appeared 94 times. The "dryest" years were 1916, 1917 and 1924, during which periods only 19 appearances are indexed.

Few Magazine Titles

As for magazines, *Poole's Index* lists practically all articles from 1815 to 1899, during nearly thirty of which years Rockefeller was a national and international character men-

tioned often enough and violently enough in newspapers to earn him the title from Frank Munsey of "the most discussed man in America" and the title from a French writer, quoted in the *American Review of Reviews* edited by a Rockefeller trustee, of "the world's greatest expert on the criminal code." Yet, during these thirty years Rockefeller's name is not indexed by *Poole*. His work was extensively and venomously discussed but his name did not appear in subject titles.

From 1892 to 1906 the abridged editions of *Poole's Index* do not mention Rockefeller although many articles under other titles discussed him. The issue for 1900 to 1905 mentions 17 articles, that for 1906 to 1909 mentions 60. His work was discussed in articles on richest Americans, dreamers in the business world and the oil company from which he retired as active manager.

In the period 1907 to 1915 during which there appeared his reminiscences, the attempt and failure to secure a congressional charter for his foundation, his first huge gift of $32,000,000 for education, the dissolution of the oil trust he had built and many terrific arraignments of his methods, his name appears only three times in magazine titles,—twice in stories regarding gifts and once in a story about his garden.

Isn't that a remarkable record for one who is sought and besought for news as only a few in the world have ever been sought? Even short interviews with him would have been worth much money to reporters and newspapers. Short, authorized articles for magazines would have been widely quoted and would have paid writers and magazines handsomely. Magazine and newspaper editors have repeatedly told of futile efforts to interview him. One reporter is said by a Rockefeller publicity booster to have virtually lost his job on the *New York World* because he failed to get an interview with Rockefeller, but salvaged it by telling his

city editor how he had run, ducked, dived, hidden and even "made a noise like a dividend," all in vain.

The relative paucity of publicity certainly proves that Rockefeller not only has not actively desired indiscriminate newspaper publicity but has been actively and very efficiently avoiding it and choosing his own time and his own wording for it. To him publicity, like electricity, has always been something to be turned on or off as suits his purpose. Thus the world knows surprisingly little of him except what he and his agents have chosen to broadcast.

Before his "public-be-told" days following 1911 he once justified his silence under attack as follows: "You see that worm? If I let him alone he will disappear, but if I stamp on him everybody will see him."

CHAPTER 47

TYPICAL BIRTHDAY PUBLICITY

TELEGRAPH companies, news gathering agencies, newspapers and magazines help Rockefeller and our whole country celebrate Rockefeller's birthday just before, on and after July 8, each year. According to recent custom trusted publicity agents send out advance notices in time to warn napping writers and editors of human interest stories. For example, in 1926:

From his boyhood home the pre-birthday news was telegraphed in June that he "looked over the old farm and scattered a pocket full of dimes with smiles and handshakes to the old and young who came to greet him."

On his birthday the country was told through the press that he was thankful for the "about 300" messages of good will he received from many quarters. Since it was impossible to answer them all, he used the newspapers.

From his suburban home north of New York City was

telegraphed the fact that now before giving a dime to a stranger he prefaces his offer with the words: "I hope you will not take offense, if I offer you a little souvenir." This bit of broadcast news, together with the anecdote cited above as press-agent canned stuff and quite unfair to Rockefeller's personality, appeared in the *Wall Street Journal* under the caption: *"Condensed Exclusive Items of Financial Interest from Metropolitan Newspapers."*

The prevailing publicity winds blew fair weather on Rockefeller's eighty-seventh birthday. A four column western blurb declared Rockefeller "the very epitome of America's gilded age"; credited his eighty-seven years with "hard toil, ruthless battle, cunning planning, grasping gain and princely generosity, public hatred and public adulation."

His Florida winter home issued a half column tribute, shrieving Rockefeller of any part in the "shady doings" of his oil company's early years and saying that now there "is no hate, no scorn, no bitterness."

Inside Hyperbole

William Allen White, a Rockefeller Foundation trustee, wrote from Nebraska: "Rockefeller's Foundation is doing more to bless the world than any other institution ever designed by man—doing what no government existing could have provided." A syndicated Brisbane editorial says "humanity has gained in human life, health and happiness what would have been unattainable without the aid of Rockefeller's unbounded generosity." Such birthday hyperbole is as economically unsound as it is sensually agreeable. That government and society can do even more than has been done and without any one man's unbounded generosity is reiterated by the Rockefeller Foundation itself.

"You couldn't die of yellow fever now if you tried," caught the imagination and drove home the fact that such

preventive giving was "really intelligent philanthropy."

"Inspiration for every American youth" and "ideal American citizen" came from Albany, New York.

"Preëminently a builder, a creator of new values" is a bouquet from Rochester, New York, which says Rockefeller "protected and encouraged investigators whose work has turned the green-black output of the wells into a thousand products of inestimable value." A neighboring city injects into a syndicated editorial that Rockefeller, a "tremendous money maker without being a medium of extortion, happened to become a really popular man."

Criticism Refuted

"John D. an Upset" recalls Rockefeller's rebound to the Tarbell criticism and prophecy of 1905:

> John D. Rockefeller has spoiled about every fiction that surrounds the man of large affairs.
>
> He didn't work himself to death, or refuse to retire.
>
> He didn't succumb to dyspepsia, as so many predicted he would.
>
> He hasn't let the millions go to his head and inspire him to run a rig of display.
>
> Yesterday, which marked the beginning of his eighty-eighth year, he said: "I am grateful every day for the contentment I enjoy in living a quiet, simple life and grateful for the messages of good will I am constantly receiving from every quarter."
>
> The old gentleman won't even moralize, won't proclaim how much worse youth is than it used to be, won't tell people what they ought to be doing to save the race, or the country or the world from destruction.

Several jokes are made about the wets' feeling when they learned that Rockefeller was one of the principal

backers of the Anti-Saloon League and therefore they themselves through the price of gas had helped fix prohibition. One conclusion is: "Rockefeller's giving will make many feel that since John D. doesn't give to unworthy objects, the dry cause has been passed upon and found worthy."

"John D. evidently didn't think," said another, "that oil and booze were good things to mix—especially if the former is in the auto tank and the latter in the jackass on the seat."

The official story that Rockefeller spent his eighty-seventh birthday "quietly" prompted editors to ejaculations like, "Oh! well, he couldn't very well pet." One expanded the idea thus:

"Some unduly excitable persons must have been fearing that the old gentleman might create a disturbance on his birthday. They must have feared he might get so exuberant as to shoot up the old village of Tarrytown, or go charging over Pocantico Hills in a fast automobile, breaking speed laws and defying the conventions. They sighed a sigh of relief, therefore, when it was announced in the evening of his birthday, that he had remained quiet all day. It was a tribute to his good citizenship and respect for the conventions."

Syndicated Laudations

THE two most popular birthday appeals are typified by two widely used and syndicated editorials, *John D. and Happiness* and *A Lighthearted Billionaire,* that merit reproduction here as symbols of Rockefeller birthday publicity:

John D. and Happiness

ON July 8, John D. Rockefeller, a little old man in Tarrytown, N. Y., passed his 87th milestone.

Rockefeller has made millions. He has known the struggle of poverty, the thrill of success, and has watched his money mount into uncounted piles.

But he has a human chord in him that responds quickly to

the touch of progress or of need. The same hand that gives little children shiny dimes also has passed out $600,000,000 in donations to help make a better world [with foundations' gifts].

Rockefeller has moved some of his mountains of gold to the task of increasing human knowledge about food supply, clothing, shelter, sanitation, public health, commerce and manufacture.

He has given part of his millions to help the onward march of government and law so that the hand of justice may reach farther. He has set aside sums for advancing language and literature, science and philosophy, art and refinement, morality and religion.

The Rockefeller Foundation, the Laura Spelman Foundation and his various medical gifts offer a way to people to attain higher happiness in life. The basis of his charity is: Progress toward Happiness. He has held out to the world a chance for better things. The people must help themselves to realize it.

The Light-Hearted Billionaire

JOHN D. ROCKEFELLER at 87 years may not be described exactly by the old formula of "hale and hearty," but he does seem to be just about the same as he was 20 years ago.

He gets out and plays golf every day. Just how good or how strenuous a game he plays may be a matter for dispute, but at least he goes through the motions of playing, which is more than 99 per cent of the men at his age would do.

The important physical fact is that he lives an outdoor life.

Also he keeps up his spirits. His state of mind, perhaps, is more important than his golf and his quiet enjoyment in being outdoors. His physician says he expects to live to the age of 100, and temperamentally he seems suited to such an achievement. His mind has more to do with it than his body.

The most remarkable thing about Rockefeller is that he bears so lightly the burden of billionairedom. The tradition that wealth brings ease is false. Most very wealthy men are crushed by their wealth. Rockefeller, giving away much, yet retaining far more than Carnegie did, gives the impression of a man who hasn't a care in the world. Thus he sets a good example to a lot of people, big and little, who worry more about their money after getting it than they did about making it in the first place.

Facetious objection was made to the authorized but "outrageously disparaging" news that Rockefeller "laughs and jokes with his friends." The kinder thing, it was hinted, was to "say that Mr. Rockefeller jokes and his friends laugh."

Recurring Praise

PHRASES that will recur in editorials, sermons and histories include these: "devout churchman . . . clean moral life . . . shunned all excesses . . . occult power of King Midas . . . one of the most useful citizens of the republic . . . preëminently a builder, a creator of new values. . . . The process by which he became rich defies the analysis of ordinary minds. . . . Few men now living have had a career approaching his in romantic interest. . . . He has won the esteem and affection of millions."

In explaining the secret of Rockefeller's longevity, the *Utica Press* the day after his birthday said: "He has kept active . . . this is one of the secrets of longevity, something to occupy the mind and keep it fresh and vigorous." As a matter of fact, Rockefeller has not kept the mind active in the sense implied, as he has conserved his body. He retired from active business thirty years ago and, so far as the world has any evidence, has not kept his mind growing since. He has seemed exceptional in the paucity and feebleness of his ideas.

In Washington, Cincinnnati and New York as well as in smaller places, business men read: *"Rockefeller 87 Cuts Off Phone. Oil Magnate Wants Privacy on Birthday."* Do you suppose that on his 364 other days each year the world's champion fortune builder is annoyed by incoming messages of congratulation or cabbages? So do times and personalities change that one may safely picture Rockefeller's son at eighty-seven installing added telephone or radio service for receiving friendly messages.

Magazine Publicity

DURING this gala period of Rockefeller's birthday celebration, several magazines of national circulation carried articles about the charitable trusts and big giving in which Rockefeller figured prominently. Several in their enthusiasm re-circulated incorrect and exaggerated Rockefeller tales.

In a page article for the *New York Times,* one of the most discerning of present-day writers on economic questions included this statement: "The Rockefeller General Education Board has conducted extensive research into agricultural and rural educational problems in the south. It coöperated with Dr. Knapp of the United States department of agriculture in subduing the boll weevil. It has dotted the south with farm demonstration centers. The significant fact of its policy is instead of giving money to southern schools, it attempted the fundamental surveys to raise the economic level of the whole section of the country." As we shall see later, the General Education Board never conducted extensive research in either agricultural or rural educational problems of the south. It did not cooperate in subduing the boll weevil but gave its money on the distinct condition that it be spent where there was no boll weevil. It has not dotted the south with farm demonstration centers. The tense is past perfect. It hasn't been in the demonstrating business in the south since 1914. It never dotted; instead, it helped dot.

The *Times* story asserted the myth that "in all the Rockefeller benefactions, the averred policy is away from flood relief and toward flood prevention," whereas in helping higher education and medical colleges his almoners have frankly given flood relief.

Disinfected Reputation

So successful has syndicated publicity been and so thoroughly has Rockefeller's giving disinfected his history and earlier reputation that among three hundred editorials from all parts of the United States about his birthday in 1926 there were barely a half-dozen short reminders that but a few years ago Rockefeller was the

"most attacked and cartooned man in the United States—a target for most of the blows aimed at predatory wealth for political and too often purely demagogic purposes . . . the ogre of business. In the era of trust-busting, the era of Bryan and Roosevelt, he was the horrible example and his company, or companies, led the long list of 'malefactors of great wealth' which were to be destroyed.

"Once it was the fashion to denounce him as an evil force in the business community. People have now come to perceive that he was an advance agent of new and better ways of doing business. The future will regard him as one who contributed greatly to the labor-saving devices upon which the prosperity of this civilization is partly based."

Why the change in Rockefeller's reputation? Editors assigned five causes: huge giving; time; more information; Rockefeller's change from "arch advocate of secrecy" to a believer in publicity; and his press agent's assiduity.

A virtue is made by many editors of Rockefeller's being able to say: "I never worry. The days of worry are over for me. I don't let anything bother me." What this really has meant in Rockefeller's case is that he has stopped thinking about his responsibilities and opportunities. He isn't bothered by what he doesn't know; nor are the rest of us. In the days of Rockefeller's fortune building, he not only bothered but he had nightly seances with himself which he called "intimate little talks" and which many other people would call worry.

CHAPTER 48

EFFICIENT PRESS AGENTING

WHEN Rockefeller's granddaughter was married in 1925 the publicity arrangements were in charge of Rockefeller's official press agent.

When the great Rockefeller foundations make gifts to colleges or other good causes, the publicity man until 1927 announced the decision to do it, the doing of it, the having done it, and an annual summary of it. He was not paid by the foundations themselves for these services. He did not submit his publicity about them to them. He looked out for Rockefeller's personal "public relations."

When representatives of Rockefeller investments in Colorado mines were fighting a strike and having strikers shot, the Rockefeller publicity agent in New York issued tens of thousands of publicity folders that made charges of blackmail and assault against two strike leaders, one of them an elderly woman, "Mother Jones." Later he testified to the industrial relations commission of 1915 that he knew those charges were false when he had the statements mailed although he had believed them true when he wrote them.

Just before Rockefeller was to be examined by the industrial relations commission, Rockefeller publicity was issued broadcast to newspapers in several instalments, with future release or publication dates. Each story was nicely printed on pale blue paper with eulogistic headlines and the story all ready to use, only one column to a page, with convenient wide margins. This publicity started off with "$117,000,000 Dedicated to Education." All over the United States newspapers repeated that Rockefeller had given $117,000,000 to education.

When analyzed, the $117,000,000 given to education was found not to be one year's giving, as many readers concluded, but the total of thirteen years. Moreover, it included millions given by others in order to earn Rockefeller gifts; millions more conditionally promised by Rockefeller, but not yet earned and therefore not yet given, plus two or five times as many millions which others were being asked to give; and tens of millions more set aside in Rockefeller foundations to be used for education, but always controlled absolutely by Rockefeller's own office. In fact, *this total of $117,000,000 advertised as given by Rockefeller turned out to be less than $11,000,000 actually parted with and neither kept under the control of Rockefeller's own immediate family and paid representatives nor used to found institutions bearing his own name.*

Newspapers receive publicity matter from the Rockefeller publicity man all ready for them to use. Because little or no editing is required, because the stories are well written, and because Rockefeller's publicity agent is a good friend to have, there is very little questioning by newspapers.

Foreign language newspapers receive week in and week out, at no cost to themselves even for setting type, educational matter dealing with many questions of public interest, now and then including material about Rockefeller philanthropies and always known to be the product of Rockefeller bounty.

Indirect Press Agenting

My first personal knowledge of the Rockefeller procedure in dealing with newspapers came from the city editor of a metropolitan daily. Because of a public statement I had made respecting the paralysis of free speech due to the desire for favors from great foundations, the editor told me that the effects upon newspapers, including his own, were

even more marked and more easily discernible than the effect upon social workers and educators.

"I don't see," he said, "how newspapers can stand it much longer. We are handed neatly printed releases which for social reasons we are practically forced to print and to print entire and in the form sent us. That much we probably could meet with a semblance of independence. When, however, some major incident arises where we want to follow up a story and get an authoritative interview from a foundation, this kind of thing happens: Last week we were told that Rockefeller's son had an important statement for the public respecting the senior Rockefeller's policy in giving and in dealing with labor. Editors sent their ablest men as reporters, feeling that a big story would break. These reporters after being kept waiting a long time were shown to an inner sanctum where they expected to converse with Mr. Rockefeller. Instead they met the Rockefeller publicity agent, were plied with cigars, chaffed, and handed a typed release which he hoped they would be good fellows enough to run in their papers."

In 1927 newspapers all over the country printed a story to the effect that Rockefeller at 88 was renewing interest in the stock ticker, advising his former oil company how to effect certain changes and commending agents who made profits for him. After this story had come to me from a hundred small papers, the *New York World* carried two "inside," front page, "exclusive" stories of the same tenor. *World* readers believed, as apparently the editors did, that this story was certified and exclusive.

So ramifying and so skillful is the publicity work for Rockefeller's Dr. Jekyll personality that newspaperdom floods at the right point as does the lake for the beaver felling trees around the corner and out of sight.

Newspaper Marionetting

Besides the one central avowed publicity man, Ivy Lee, who is also publicity engineer, or adviser in public relations, for several great utility corporations and others, there are editorial and news writers who do yeoman service as publicity men for Rockefeller. In fact, these supposedly independent eulogists probably contribute more to the Rockefeller halo than does the direct harvest of the publicity agent. Results bear earmarks of much press-agented free lancing.

Of late years, the chief editorial booster of Rockefeller is Arthur Brisbane of the *Hearst newspapers,* writer of a daily syndicate column that appears also in a couple of hundred other papers, and promoter of real estate seeking investors. Less frequently, but because of its circulation very effectively, the *Saturday Evening Post* prints laudations of Rockefeller. In one case it printed in January a fulsome story about Rockefeller's giving that was almost verbatim the same as appeared six months before in a New York newspaper—in spite of the fact that it was largely untrue in both July and January. Yet in its 1927 list of "Fifty Great Historians" it did not include Rockefeller.

Besides these forms of publicity and free material to the makers of "patent insides" for weekly newspapers containing a vast amount of favorable news about Rockefeller philanthropy, the formal publicity agent by "social penetration" influences the shapers of policies for newspapers, magazines and publishers of books. The extent of this indirect publicity is little realized.

For example, a publisher, famous throughout the world, asked an author to withdraw certain comparisons of the Rockefeller method of making profit out of wages at current levels and then giving money for hospitals, with the Henry Ford method of raising the minimum wage. Another world famous publisher said of this book's title: "We don't

want any book that will cause people to criticize Mr. Rockefeller." Thus way back of editing rooms of great publishing houses are men zealously and jealously looking out for the Rockefeller reputation.

Is it probable that the first publisher was concerned less about Rockefeller than about the economics of the comparison? On the contrary, no question whatever was raised about the economics. A half dozen other criticisms of the manuscript by the publisher's reader were withdrawn as entirely unfounded. A last stand was taken on the question: "Don't you criticize Mr. Rockefeller somewhere?" The author said, "No," and stuck to it. After several telephone talks with his "reader," the publisher brought back the question:

"Don't you compare Mr. Rockefeller and Mr. Ford to Mr. Rockefeller's disparagement?"

"If there is any disparagement, it was in your reader's mind after reading an impersonal statement of two methods of furthering progress."

"Well, we do not feel that Mr. Ford should be mentioned in the same breath as Mr. Rockefeller."

The most telling booster of all is the preacher, social worker, college president or philanthropic trustee who sees a chance to help a good cause by lauding Rockefeller and his almoners. An educator, advocate of character training by schools, once wrote an attack upon me for discussing education "without having experience in education." When confronted with his error by one of his own trustees he wrote that the educational contact of his would-be victim had not been specified in the only account he had read and he had written the attack—he did not say in the hope of tickling the money nerve of a Rockefeller foundation head—out of friendship for that head, whose reports I had publicly criticized.

A Sample Blurb

TWENTY-FIVE years ago the way to get publicity for a story about Rockefeller was to accuse him of all the calendar offenses. Magazines wanted diatribes against him. To-day magazines want apostrophes and the Rockefeller publicity office supplies the materials, perhaps also the invitation.

The *Saturday Evening Post* carried an article, shortly before a Rockefeller birthday, entitled "The Rockefeller Fortune as Interpreted by His Son." This article was written by a professional economist with a decided slant toward wholesale acceptance of "big business." All told there were 1,014 lines of which 30% were either directly quoted from Rockefeller's son or discoverably based upon the interview. The remaining 70% were mostly eulogy, with numerous earmarks of the special pleader and propagandist for Rockefeller Senior.

The reporter opinions included these:

Rockefeller has perseverance, a clear-cut program and a decided sense of justice in his giving.

He has a monumental patience and an almost mechanically perfect judgment.

He always aims at bull's eyes.

His insistence has been upon efficiency in giving so that wealth might be of greatest use.

His mind is practical and cautious and has demanded definite and clear cut plans from authoritative sources.

He has a "passion for economy" and an ingrained constitutional aversion to and abhorrence of waste.

He seeks no glory or praise. "He absolutely refuses to show off."

He is a "plodding, methodical, self-effacing, enduring, infinitely patient man who doesn't ask for or expect credit for the service he has rendered humanity."

He never shows the slightest desire to "meet people just because they are renowned or socially or politically important."

He is "utterly devoid of any desire to get people to know him just because he has money."

He has "uniformly and persistently refused to have anything to say regarding the subjects taught in the educational institutions he has aided."

In building up his oil business he "never profited at the expense of his stockholders. He was never suspected of inside graft, rake offs, commissions or other dubious methods."

He was "one of the greatest developers of industry the world has ever seen."

His investment judgment was "almost flawless."

He was an "organizing and constructive genius, wise, patient and extraordinarily sound in investment judgment."

While the writer of this blurb, the editor who accepted it and the object of it are all living, it seems ungracious and hardly good form to call it "canned publicity and propaganda." Unquestionably, however, future researchers will so regard it. Instead of a discussion of Rockefeller's fortune, based upon an interview with his son, it is a bouquet or whole conservatory of flowers sent to Rockefeller in the presence of several million readers, but in the guise of something else.

This *Saturday Evening Post* article credits Rockefeller with inventing byproducts of kerosene, whereas history says he was a follower and adopter rather than an inventor and leader; there were already numerous byproducts of coal oil before ever he got into the oil business.

It credits him with "extensive help to teachers' colleges," which was untrue when written and is untrue to-day.

Rockefeller's fortune was minimized by quoting the son's disingenuous denial that his father's estate was ever a billion dollars. The writer added that it "is not improbable that the estate will ultimately prove no larger than the estates of many other men of means, if as large." The article and the editor did not go so far as to tell the reader that Rockefeller had not built the *largest fortune* in the world.

They did not lay themselves open to categorical denial. They merely misled the reader by failing to remind him that Rockefeller's *estate* and Rockefeller's *fortune* are two different matters. Rockefeller had given vast sums to his children and to foundations. These sums were a part of his *fortune* but not a part of his *estate*.

This article insisted that even if all the charges about rebates received by Rockefeller were proved, the part of his fortune thus accounted for would be picayune, mere child's play, as compared with the actual fortune which he did bring together. In this conclusion he contradicts Rockefeller's court biographers.

Although the Supreme Court, with Charles E. Hughes on it, declared that the practices charged against Rockefeller were proved, this *Post* article refers to them as "alleged." In any audience of two or more million readers an overwhelming majority will consider that any practice marked "alleged" by an economist in the *Saturday Evening Post* probably never happened.

Of Rockefeller's iron fortune this indirect press agenting says that Rockefeller went into iron ore in his "early days" and "carried his investment through many hard years." When this was written there was ample evidence that it was not in Rockefeller's early days but in 1894 on the eve of his retirement from oil that he went seriously into iron ore. He sold out to the steel company in 1901, and made 1,500% on his investment, not counting dividends, hence there was nothing very hard about these years. Rockefeller himself twelve years before this article said there was never anything hard about those years because he knew the profits ahead.

The trustees of the Rockefeller university are quoted at length to the effect that Rockefeller has never in the slightest degree interfered even in religious matters. Every one knows that had Rockefeller intended to interfere, he would

not possibly have proceeded by the direct method. The interference of great wealth in academic freedom comes not from donors primarily but from trustees and presidents wishing to present themselves in a favorable light to donors. It has not been necessary for Rockefeller to dictate to universities in order to get anything which he may have wished. No one knows in how many other instances there was interference like the secret conference which chloroformed municipal research in New York City, as told later.

CHAPTER 49

AIM OF ROCKEFELLER PUBLICITY

THE founder of Rockefellerism is now 90. He sees little of the outside world. He knows what his reputation was for a generation after 1870. He knows that from 1910 to 1913, after having broken all records by gifts of millions to churches and colleges, he could not get a congressional charter, even for a $100,000,000 benevolent foundation, because of his past reputation. Like almost all other human beings, he craves the good opinion of his fellow men.

Those around him, out of an imaginative sense of duty to their calling, and his son out of a filial loyalty which only world criticism could have developed to so tense a passion, are anxious that the word Rockefeller shall have an admirable and lovable suggestion during the senior Rockefeller's last days. They see, too, that posterity will tend to regard him with his works just about the way he is regarded in the last days of his life and in his obituaries.

Thus the stage is set for a chorus of eulogistic superlatives such as no human ever received. It is set to last longer, to be more imposing, to involve more people than any private life ever before evoked.

Thus, further, the family reputation which will be handed

down to Rockefeller's lineal posterity will be one to envy, for it will be shorn of almost all trace of that earlier reputation which the country has nearly forgotten. "Let the dead past bury its dead," is the watchword. American democracy and world opinion are kept in training to concern themselves with future gifts of Rockefeller money rather than with its origins.

Unrepentance Delays Forgiveness

How did it happen that Rockefeller was singled out for the spotlight of public indignation over rebates and drawbacks common to his time?

It is not merely because Rockefeller is enormously rich. Carnegie was very rich and had a rebate and drawback record much the same as Rockefeller's, besides a record for contact with congress clearer and more reprehensible, according to the standard of his time and ours, than Rockefeller's rebate record. Yet people more nearly forgave Carnegie sooner than they nearly forgave Rockefeller.

There must be some other reason than rebates for the judgment of experts upon Rockefeller. One reason is here ventured; instead of merely laying his rebates to his background, Rockefeller first denied them, then kept on taking them long after the background had changed and after his nation's lawmakers had passed laws and created a tribunal to prevent them, and finally persists to the end of his days in denying that any appreciable part of his fortune was due to rebates.

He admits that rebates were taken because it was a custom of the time; but he denies rebates which the United States Supreme Court says he took.

Where it would be easy to admit that his business success was largely due to his playing the rebate game a little more efficiently than his neighbors, he dams up the floods of

criticism by denying that he gained wealth from rebates.

Rockefeller's unrepentance with respect to evils common to his background has kept him a mark for hostile criticism because of business practices no longer countenanced.

A second cause of Rockefeller's unpopularity that will always be inextricably mixed up with the public's picture of Rockefeller rebates, is his practice of carrying curiosity and casual inquiry with respect to competitors' business to such a high degree of efficiency that he kept himself better informed about their business than they were themselves.

In his book he says he did not set out to spy upon competitors, but he does not categorically say that he did not spy upon competitors. The record is indisputable. The last time the evidence was massed, 1911, it was over the signature of George W. Wickersham, attorney-general under President Taft. It cited case after case where railroad agents, as late as 1906, were doing for Rockefeller what the South Improvement Company railroads promised in 1872 to do until publicity made them publicly repudiate their contract, namely, giving Rockefeller prompt, at times telegraphic, reports as to who competing shippers were, where oil was going and to whom.

A personal reason adds its quota; Rockefeller was not a "mixer." An old oil man who saw him several times in the stormy 'seventies said in 1926: "I never heard a rumor of his laughing or getting angry or doing anything personal such as writing or giving a present to a friend. I never heard of him lending money."

Rockefeller is no mere scapegoat of his background and of the Dreadful Decade. He is still criticized and will be eternally criticized by those who study the origins of his colossal fortune, not for doing what everybody else was doing, but first for denying what everybody knew was being done; secondly for continuing practices long after general toleration ceased; and thirdly for supplementing his rebate

favors, after congress branded them illegal, by methods of espionage which depended for their success upon the disloyalty, dishonesty and venality of employees owing loyalty to railroads and to Rockefeller competitors.

His Times Bred His Worst Qualities

Does Rockefeller nevertheless remain a product of his time? His most inveterate combatant before courts and commission, George Rice, said in the introduction to a book issued in 1892 and given in October 1903 to the New York Public Library by Mrs. Russell Sage:

> No other nation under the sun would tolerate for an instant such a destructive element as [Rockefeller's] within its borders. In monarchial Germany Baron H. . . . in one short month was tried, convicted and sentenced to imprisonment for receiving a rebate from a railroad. In England the owner of the Bass Breweries was found to be receiving a rebate and in twenty-four hours it was stopped by the railroad commission. What a contrast my countrymen does our land present! Rockefeller's monopoly has been indicted again and again and through the venality of the legislative and judicial power its members have escaped the punishment they so richly deserved. Their actual conviction on the charge of blowing up the works of a competitor and consequent attempt to destroy human life was followed by a fine of $250. What a travesty on justice!

CHAPTER 50

ROCKEFELLER MYTHS

ANY personality as widely discussed as Rockefeller's for two generations is bound to collect myths as the wooden vessels of his boyhood collected barnacles. Since both eulogists and critics have worked in the myth factory Rockefeller both benefits and suffers from Rockefeller myths.

If unfortunate for him that fellow citizens widely believe that the Missouri bandit Jesse James was really the father of John D. Rockefeller, it is fortunate for him that Walter Page, war-time ambassador to England, started the myth in 1906 that he was "devoting his time to giving away a fortune," had made business management "an exact science," and had "shown a greater genius for practical affairs than any other man in the world."

It helps Rockefeller when widely read business men declare personal knowledge that the owner of the Buffalo oil plant, which four different juries agreed had been blown up by Rockefeller associates, was really blown up by the owner himself.

It hurts him to have it widely believed that he had his valet and a tutor in his home maintain an espionage over house guests and his childrens' pupil friends; that he "feared the very sound of his own footsteps, feared his shadow, feared the reflection of his own image in the looking glass."

It is not true that he lives on buttermilk and crackers. His dinner would founder many a forty-year-old. He never said he would "give a million dollars for a new stomach." He doesn't carry a dress suit case full of dimes to be given away when traveling; doesn't insist upon signing all checks for expense bills; never advised Henry Ford to keep plenty of money on hand; was not spanked by a woman school teacher in Cleveland as he was about to escape over a back fence.

He was not, as a German biographer of 1926 asserts, "born into a home that had no book but the *Bible* . . . the son of a farmer working with his acres and his cattle."

It is not true that he still has the first dollar he ever earned, as Editor Brisbane reiterates. Nor is it true that he "never sold or gave away a single share of Rockefeller stock until he retired," as a former associate wrote in 1926.

He was not failing to attract attention when working in

an oil factory in Reno, Pennsylvania, in 1868 because at that time he was an oil refiner in Cleveland and a very rich man.

Because Rockefeller at crises was found often to have more complete knowledge of competitors' affairs than they had themselves, he was credited with almost supernatural power of omniscience. Of this myth Ida Tarbell says:

"There was really nothing in the least occult about Mr. Rockefeller's omniscience. He obtained part of his knowledge of other people's affairs by a most extensive and thoroughly organized system of news gathering, such as any bright business man of wide sweep might properly employ, but he combined with this perfectly legitimate work the sordid methods of securing confidential information. The source was, however, long secret and when again and again men who could hardly suppose their existence known to Mr. Rockefeller saw movements anticipated which they believed known only to themselves and confidential agents, they began to dread him and to invest him with mysterious qualities."

Rockefeller's "native passion for detail" is another myth; at least his indulging it is a myth. He knew surprisingly little about the actual working of his various companies. He gave away hundreds of millions of dollars without asking or learning detail about the purpose. His almoner, the same man through whom he purchased iron mines without questions of detail, persuaded him that the big thing ought to be done and Rockefeller asked no questions. Having invested hundreds of millions in philanthropies, he had no curiosity about what they were doing or the kind of agent they were using. Having picked his helper, he gave him free rein.

Investigations Not Thorough

THE thorough investigation of colleges and of educational conditions with which he has been widely credited is a myth.

Was the alleged Rockefeller telegram to United States

senators in 1905 a mendacious invention by President Roosevelt or by some one willing to impose upon the presidential desire for a brick to heave against a "predatory trust?" If it was not, then Rockefeller's actual retirement in 1895 is a myth; neither Rockefeller nor any senator ever admitted its reality.

Not Money Mad

It is no myth that Rockefeller abhorred waste and incompetence. It is no myth that he practiced petty and heroic economies. It is a myth that he did this because of greed. Our schools and colleges are trying to train America's youth to be unhappy in sight of inefficiency. We can't succeed if we condemn as greed Rockefeller's spending weeks of his overtime sorting out the superior and the good from the spoiled in a damaged lot of beans until he netted a handsome profit instead of a loss.

Stories of his thinking only of business and being "work mad" are myths. He stayed away from his office so much in order to potter around his home gardens that he says he would be "called a slacker by twentieth century standard."

Rockefeller's "faith in oil" is largely a myth. He had knowledge, convictions, and eyes in his head, no blind faith.

A neighbor's taunt about his origin, a playmate's boast of future riches, his own prophecy when just starting in business that he would one day be the world's richest man are all myths such as success always germinates.

Two different incidents are credited by Rockefeller with having started his ambition to be rich. He said in an interview in 1905 and his publicity agents have often repeated it, that when a small boy, after picking potatoes he took it in that having money out at interest would pay better

and ache less than picking potatoes and doing other hard manual work. The second impetus toward riches was the oft-mentioned experience in paying off the church debt which, he said, had been "a dispiriting influence for years." Neither of these incidents explains Rockefeller's ambition. Before the church incident, he had struck for higher wages, borrowed money for an independent partnership and found business pouring in surprisingly fast.

He desired money and more money, not because of any special incident, but because once having started in business, his arming for the next day's battle or game meant his making more money. Friends who knew him as a young man have said that the only outburst of pleasure they ever heard from him had to do with successful deals when he would jump up and down, crow, dance, and whack his partners on the back. In his own story, he tells of studying the problems of his employer's business his very first year when only sixteen. There is nothing in his life to indicate that his absorption at any time was in the profits rather than in the conquests of business.

"Money mad! Money mad! Sane in every other way but money mad" is the way Mark Hanna—national Republican boss who mobilized the forces of "big money" for McKinley as president in 1896 and 1900—is said to have characterized Rockefeller [officially called a myth]. As the two were friends and tarred with similar "big business" brushes, the comment is widely taken as gospel. It is no truer than that Mark Hanna was in politics for money rather than for adventure and triumph.

Greedy for Domination

THOUGH Rockefeller's wanting money for money's sake is a myth, he proved that he was greedy for achievement, for magnitude of power, for machinery that would serve the

whole world, and, according to Chief Justice White of the United States Supreme Court, for a domination in his chosen field of business at the exclusion, or at least the near extinction, of competitors.

Five other Rockefeller myths have unduly affected public thought regarding his fortune: the thrift myth, the penny-a-Sunday myth, his coldbloodedness, the superlative efficiency of his advisers in giving and his superman vision of the good he had achieved.

Thrift does not account for his fortune. In his own life, thrift by no means meant what he has wanted it to mean when giving advice to others, namely, putting money in the bank. In six months when he spent only $9.09 for clothes, he spent $2.50 for a pair of gloves. That $2.50 on his personal appearance proved better thrift than any $2.50 he ever put in a savings bank, just as his later dressing "above his station" and above the standard of his trade and time gave him a feeling, and his customers and banker acquaintances a confidence, that were better for him than money in the bank. Many a country-bred poor boy needs to follow Rockefeller's example rather than his advice.

There is no myth about Rockefeller's putting a penny in the church collection box every Sunday. The myth is in the inference that this was a sacrifice or even at that date an uncommon thing. It was because it was expected that Rockefeller knew about it. Tons of boys and girls have enjoyed no other part of church services but dropping the penny or nickel in the box. Like Rockefeller, most of the juvenile penny droppers had family pennies to draw on. Rockefeller earned $175 his first seven months at work, not counting interest at 10% on savings. He spent $9.09 for clothes and $28 for board and room. This left $137.91. What if he did give 30c. in thirty Sundays, he still gave only one-seventh the biblical tithe.

It is a myth that his blood runs cold all the time, that he

is incapable of human sympathies. His Cleveland pastor asserted that Rockefeller has for years spent over $100,000 a year right in Cleveland alone helping old friends. Later Rockefeller tales give numerous instances of his not letting the left hand, least of all the general public, know what the right hand did.

A Myth Victim

UNFAIREST myth of all is the universally acclaimed advisory council said to have guided Rockefeller's giving. More than all his "enemies" combined have his advisers kept Rockefeller from developing a power to enjoy his own giving and a personality which his fellow men would enjoy. Any man capable of seeing the world problems he has given hundreds of millions to attack is also capable of seeing, loving and being loved by the world of everyday life all around him. He has been so expertly shielded from care that he hasn't been allowed to understand his own service. He has been so mis-press-agented that the public for which he and his foundations have given $700,000,000 indulgently and patronizingly associates his personality with gifts of shiny dimes.

The Rockefeller myths are mostly symbols of social problems which confront Rockefeller's posterity. To credit him with having set out as a boy to be the world's richest man, having pictured to himself industry's need for coöperation on a giant scale as the only cure for ruin and arrested development from unbridled competition, and having braved decades of public censure for the ideal of a greatest service to the greatest number is to rob him of interest and his history of significance. As a superman Rockefeller is dull. As an ordinary man using normal man's talents, formulæ, necessities and weaknesses, as a giant who is also a dwarf and a symbol, he is superlatively interesting.

PART V

The Champion Money Giver

51. If Your Vision Were Money
52. The 1929 Merger
53. Rockefeller Rivals in Giving
54. "A Niagara of Benevolence"
55. Economic Penetration of Churches
56. "Flood Relief" for Colleges
57. Publicity for Educational Giving
58. "Particularly for Southern Education"
59. Alternatives for Agriculture
60. Gifts for Medical Schools Questioned
61. Small Gifts for Research
62. The Proof of the Pudding
63. The Myth of Thorough Studies
64. Gifts for Public Education
65. Teacher Training Neglected
66. A Money-Covered Retreat
67. Conditional Gifts
68. A Secret Condition
69. Unimaginative Trusteeing
70. Underpaying Students, Underpaid Faculties
71. The Gift Congress Refused
72. War-time Giving Exaggerated
73. Benevolent Bargaining
74. Labor Sources of Its Income
75. Abandoned Memorial Fund
76. Rockefeller Indian Giving
77. Without Honor in His Own Country
78. Why Rockefeller Gave

CHAPTER 51

IF YOUR VISION WERE MONEY

"IF time were money," an old song ran, "I'd be a millionaire." Any American can have the sensation of being a millionaire by turning his ideas into leaven for the colossal Rockefeller millions in philanthropy which has never yet worked as efficiently as was to have been expected from the prestige and high standard of Rockefeller's business efficiency.

Rockefeller is credited by his own press agent publicity with having set aside and given away over $700,000,000 to education, health, religion, medical investigation and other welfare work. This huge total, the world record and all-time record to date, includes $250,000,000 appropriated by his foundations from his gifts and income upon such gifts. It does not include gifts for political purposes, which belong rather to investing than to giving.

Rockefeller's chief endowed philanthropies are now four with the following principals in 1927: *

General Education Board	$75,000,000
Rockefeller Foundation	174,000,000
Laura Spelman Rockefeller Memorial	74,000,000

* In 1928, a year and a half after the manuscript of this book was submitted to Rockefeller's publicity adviser and biographer, the Rockefeller Foundation absorbed the Laura Spelman Rockefeller Memorial and "sought ways of bringing the work of these organizations [all Rockefeller foundations] into closer and more definitely coöperative relations." The reason published was that overlapping of purpose and cost had existed. The text is given here as originally submitted for Rockefeller criticism in order to show the longstanding defects of organization and procedure which the reorganization avowed.

Rockefeller Institute for Medical Research	40,000,000
He has also given the University of Chicago, under independent control	45,000,000

Because Rockefeller's colossal giving might be colossally efficient, it is taken for granted that it is.

Because Rockefeller was giantly efficient as a business builder, it is taken for granted that he must have guaranteed giantly efficient managers for his philanthropy. "The large Rockefeller gift is in itself substantial testimony of the methods [used by beneficiaries]," says a typical recent editorial.

Because Rockefeller agents in business produced results that spelled exceptional efficiency, it is taken for granted that his agents in philanthropy, just because they are his agents, must be highly efficient and chosen for proved exceptional expertness.

Because certain Rockefeller trustees are credited with being highly efficient as money makers and as organizers of private business ventures, it is taken for granted that as trustees of Rockefeller philanthropies they use equally efficient methods.

Before conceding superlative efficiency to Rockefeller the giver society must ask what exists by way of evidence that Rockefeller giving is efficient. Who has ever studied its methods? How do its results compare with its possibilities or with Rockefeller's advertised purposes and ideals for it? How does its procedure compare with the best procedure outside his office?

These questions are important not only for their wide interest but for their social consequence. A very slight increase in the efficiency of Rockefeller giving means enormous annual contributions to human welfare, for besides spend-

ing around $25,000,000 a year Rockefeller foundations profoundly influence other giving. Their halo if not their service is germinating numerous other foundations. Straight thinking about them will foster straight thinking about government expenditures and all private charity.

The public has been the victim as well as the beneficiary of attempts by colleges and universities to earn Rockefeller conditional gifts. Tens of thousands of men have had to give time and energy because told that Rockefeller would match their gifts to some college they never heard of before or owed no personal contact. The public has been influenced by this giving in its thought about the taxation and supervision of wealth. It has a right to get the most for its money and for its gratitude. It cannot know Rockefeller's true stature without knowing the gap between his foundations' promise and their performance. It cannot rank him without being a better partner in his giving.

You Are Rockefeller's Partner

WITHOUT signing a paper we Americans are all partners of Rockefeller in enterprises which have a capital of over $300,000,000 besides untold good will.

True he has put in all of the money capital, but we also put in a great deal, many millions a year, toward running expenses when we exempt this capital from taxation. We contribute inestimable good will. His legal powers, his foundations' charters, he gets from us. Moreover he says he looks to us for seeing to it that this partnership philanthropy is run in tip-top fashion with the kind of efficiency that the world expects of Rockefeller enterprises. As partners watched his oil profits, so we are expected by Rockefeller to watch the profits of our philanthropy partnership with him.

Over and over again he has declared our partnership. In

fact he says his joy in breaking world records as a founder of benevolent foundations has come largely from his feeling that he was going into partnership with the whole American people in using some of his vast fortune for the public welfare with no thought of money gain.

Although we have been told this many times, millions and millions of us, by stories telegraphed to newspapers or by articles in magazines, we have never yet taken our Rockefeller partnership seriously. We still bungle our part of the business so badly that it is a wonder Rockefeller has not given us up as hopeless and taken back his money for helping mankind by some money-making route. We have been freehanded with our good will but niggardly with our study of results.

His publicity agents try to keep us mindful of our partnership but in ways that have not yet led us to exercise our rights as partners. He poses for the movies and the illustrated papers. He repeats the story of his first job way back in 1855, when he was sixteen. He dances jigs on the putting green, recites doggerels, relates anecdotes with swear words for national consumption and plays puzzlewit with his negro caddie who learns that "p-g is pig without an eye." He has autobiographed his recognition of our partnership. He declared it in his last public appearance before the federal industrial relations commission of 1915. He has explained it and adorned it to interviewers for world audiences. And he has inspired Syndicator Brisbane to hoorah it forty times a year. Conscious of it or not, you and I are Rockefeller's partners in using $300,000,000 for benevolent purposes.

What does that signify? What might we do that we are not now doing to exercise our rights and discharge our duties as Rockefeller partners in big giving?

These are more than mere idle questions to those of us —and we are legion—who have wanted to know just once

how it feels to give away a million or a hundred million at a clip, and without seeming to miss it. Few of us have failed to dramatize ourselves as Lord Bountiful doing grandly what Rockefeller has been haloized for doing simply. Yet, lo these many years we have been asked to do that very thing as Rockefeller's partners and haven't been curious enough to learn how simple it would all be if we went about it the right way.

Cue 1: Wanting Comes Before Giving

In the first place the world's princely givers always want before they give. Rockefeller did not give $100,000,000 for a foundation and then start wanting a foundation. No, he wanted to give $100,000,000, he wanted to prove his desire for you and your neighbors as partners and then he gave. Similarly, if the public really wants to play up to its rôle as Rockefeller's partner we must start with wanting to be partners, we must want something or many things done that either take big money or that big money can hasten. How worth while it would be for us to start wanting on a Rockefeller scale just a little arithmetic will show. We can see at a glance how to get the "feel" of giving away a million at a time.

The Rockefeller foundations, that is the fortunes he has given groups of men, actually headed by his son, for distributing future princely gifts, now total about $300,000,000. If you want to get better results from this Rockefeller spending and can think of ways to improve it even 1%, you have accomplished more than if you really gave away one per cent of $300,000,000, or $3,000,000. That's a pretty penny for a poor man to give away, surely.

If, however, you or several of us together knew how to improve this Rockefeller spending 10% we could have the

first part of the sensation of giving away one-tenth of $300,000,000 or all of $30,000,000.

If all of us poor partners working together through Public Opinion or Expert Opinion could increase by one-half the benefits from the Rockefeller foundations we could have the satisfaction of giving away $150,000,000, besides exerting a tremendous effect upon all other foundations as well as upon governments spending several billions a year. That is surely a worthwhile ambition for educators and students of public welfare who are richer in vision than in gold.

Nor is such wanting too hard simply because it deals with millions, and another man's millions at that. The hardest part for us has already been done by Rockefeller himself. It is he who called us partners. It is he who advertised an invitation to us to watch how his giving affects our own happiness. He has unequivocally said that it is only by our partnerlike watchfulness and coöperation that his princely giving can pay the huge welfare dividends he seeks.

The only hard thing about using our rights as partners with Rockefeller is beginning to want to use them. Fortunately the easiest step of all is also the most important of all, and that is to want something done which is not yet being done but might properly be done by his foundations.

Partners' Cue 2

Close upon its heels is Cue 2—*we must make our suggestions out loud so that they reach the Rockefeller eye and ear.* We do not need personal interviews with Rockefeller himself or even with his son. What we say in newspapers, convention papers, club meetings or even in private conversations will soon find its way to them for it will go to make up the Public Opinion and Expert Opinion which founda-

tion managers worry about quite as much as business men worry about commercial profits.

Partners' Cue 3

Cue 3—to earn our partnership and to win the sensation of giving away tens of millions—*is to develop appreciation of Rockefeller giving and its possibilities*. As we improve in appreciation—whether of big giving, books, paintings, architecture, friendship, or philanthropy—our standards rise and what is done for us rises too. Artist givers, like artist musicians or artist politicians, play up to or down to their customers, and in big giving the customers are the very same people whom Rockefeller calls partners. When he gives millions we pay praise and exempt his gifts from taxation. When we refuse to pay praise he has to make his giving more attractive. If we put conditions on our enthusiasm his giving will reach up to our conditions. If we, as customers and as partners, don't feel that our venture with Rockefeller is paying big enough dividends for all the money and praise we both put in, then he and his trustees will see to it that his giving will pay higher dividends.

If bashfulness afflicts us at the very thought of playing partner with a billionaire it will help us to remember that for twenty years, rain or shine, winter and summer, skilled publicity agents have been trying to break down the barriers between us and Rockefeller in the hope that we would all like him personally and develop a partner-like enthusiasm for him. He knocked at our doors successfully. If we knock a little at his door we shall be successful too.

Doesn't it take an expert to make helpful proposals about using or giving away $300,000,000? Rockefeller himself says it does not. He says experts can be hired to work out details. He claims that owners of capital should study results and not lose themselves in the details of science. He

says new truths are worth more than money help or even colleges. That cap fits his silent partners in giving. Any layman intelligent enough and public-spirited enough to applaud the advertised motive and size of Rockefeller giving can quickly put himself in position to donate the equivalent of at least the $3,000,000 that would reflect a first 1% improvement.

The Mississippi floods of 1927 prompt an illustrative suggestion. The Rockefeller funds could have led in keeping government and business reminded that flood devastation is not unavoidable; that permanent preventives are possible; that while refugees forget engineers should not. Had the Rockefeller Foundation or Carnegie Corporation led the country in mobilizing sadly needed relief and more sadly needed engineering ability in the first days of this havoc wreaking flood—or preferably years before—it is probable that a hundred dollars would have been entrusted to them for wise spending for every dollar of capital they had so imaginatively used.

Questioning Is Appreciating

Is questioning the efficiency of Rockefeller giving boorish, too much like "looking a gift horse in the mouth"? On the contrary, it is the kindest way to show appreciation for his announced intentions. He did not ask the American people to accept alms, he asked us to join him in a partnership. As experts find little satisfaction in the applause of an audience that does not understand their expertness enough to appreciate its strong points, so Rockefeller can find little satisfaction in applause from the easily pleased. It is no kindness to Rockefeller to withhold the study which will learn where to applaud and where to withhold applause. The best friend of Rockefeller or any other giver is the onlooker who fits himself to exercise an independent judg-

ment based on knowledge and study with respect to big giving.

It is not graciousness that has prevented questions heretofore but lack of information, appetite for some of the money and the failure of Rockefeller foundations to invite frank suggestions and promise immunity for makers of unpleasant suggestions.

Several years ago while the country was discussing the dangers of big benevolent foundations a suggestion was made through the press and personally to Rockefeller's counsel *that part of Rockefeller's gifts be set aside for telling the truth about the way the rest of them was spent.* The counsel smiled and said he wasn't sure but it was a very good suggestion.

The very best way to make Rockefeller efficiency in giving proportionate to his endowments is to help the public keep informed with respect to what such endowments get done and might get done. Your vision may expand the vision of Rockefeller philanthropy.

CHAPTER 52

THE 1929 MERGER

THE public avowal in 1929 that four vast Rockefeller foundations had been for years trespassing upon one another's territory proves that public questions about foundation procedure will pay.

It also proves that public questions are necessary in public defense. Here were four separately organized agencies working for one man. That each one was a model of efficiency was taken for granted. Yet out of a clear sky the founder's own representatives publicly confessed that his supposedly perfect plan for foundations was confusing in its purposes, conflicting in its programs and wasteful in its procedures.

In explaining the new merger to Jerusalem journalists Rockefeller's son said March 6, 1929: "The union of foundations was carried through to simplify matters, cut down the staff and otherwise reduce expenses." This explanation, which is the most informal and intimate ever given the public, says not a word about more intelligent analysis of opportunities, clearer vision and more productive giving. Instead it was really a public confession that the dominant mind in handling Rockefeller's side of the foundation partnership with the public had not after twenty-seven years mastered the basic elements of foundation trusteeship and leadership.

As the following chapters show, staffs need to be increased not cut, as do many expenses, especially publicity and audit expenses; increasing study and self-study by Rockefeller foundations is infinitely more needed than cutting down the staff and otherwise reducing expenses.

Even the history of the Rockefeller foundations was misstated by Rockefeller's son. He said: "My father's system was to make small beginnings and let them grow. If he had known the outcome he would have made only one foundation in the beginning." On the contrary the Rockefeller Foundation started with $100,000,000 twelve years after the General Education Board was organized. The Laura Spelman Rockefeller Memorial started ten years later with over $60,000,000. To no one else do $100,000,000 and $60,000,000 beginnings seem small. . . . Important and clear reasons for having three great separate foundations were reiterated to the public: the General Education Board was to concentrate on education; the Rockefeller Foundation was to help mankind meet special emergencies like floods, earthquakes or world wars and express Rockefeller's personal interest in man's conquest of harmful insects and man's correction of habits prejudicial to health; the memorial to Rockefeller's wife was to continue to express a

very personal interest in the philanthropies which had engaged Mrs. Rockefeller's attention and in constructive and preventive work for the welfare of children and women.

This three-sided approach served a marvelous advertising purpose for several years. If it confused the public it also awed and stampeded the public, for everywhere we turned was a Rockefeller board.

As offsets to any overlapping of clerical forces were these assets for public welfare: it provided three sets of executive officers and three sets of trustees to whom opportunities for service might be presented; it furnished three nozzles where now there are but two, three courts of last appeal where now there are but two, three chances to win where now there are but two. In multiplying by three the avenues of approach it divided by three the power of one mind to arrest progress and indulge prejudice. It furnished the many minds for counsel where the merger furnishes the one mind for action and preventing action.

Without adding to the probability of increased vision or increased service it adds tremendously to the menace because for reasons outlined later $300,000,000 in one nominal as well as actual control expresses vastly greater strength than the same sum in three controls.

Boon or Menace?

Instead of being the great advance which the press heralded because of the "coördination" of three boards and three staffs, this merger is a backward step. It gives Rockefeller's son a dictator's power to turn thumbs up or thumbs down or to procrastinate. It reduces the possibility of independence by trustees. It promises the further mechanizing of foundation action where the times cry for less mechanizing. It takes back to the Rockefeller family a control that

was nominally given to prominent business and professional men.

Nothing could prove this more conclusively than the misconception of the past and the future contained in the statement by Rockefeller's son to Jerusalem journalists. He said, "the original funds were far greater than the present." The original fund of the General Education Board was but $1,000,000. The original fund of the Foundation was but 60% as large as its present fund. The original fund of the Memorial was less than the sum turned over last year.

He said: "Our principle is to continue drawing from the capital as suitable objects of contribution turn up." An enlightened public would expect those in control of $300,000,000 to turn up notable objects of contribution instead of waiting for suitable objects to turn up.

He said: "In making gifts we seek for people and objects to rely on and leave it to them to work out." An enlightened public, informed about foundation giving, would expect foundation managers not to rely on or leave to anybody the results upon society of using such tremendous power.

Not the least sinister fact about this merger is that not one of the noted men who were on the three Rockefeller boards ever said a public word regarding so momentous a move. They thus confessed themselves but pawns of a personal bureaucracy, as the following pages show they have been in the actual managing of the great funds legally entrusted to them.

CHAPTER 53

ROCKEFELLER RIVALS IN GIVING

SEVERAL other boys of the Finger Lakes region in New York, where Rockefeller was reared, have made gifts to humanity that help posterity rate Rockefeller as a giver. Which would you rather be, one of these or Rockefeller?

Would it take several of them, all of them, or all of them and still more to equal Rockefeller in giving?

Jethrow Wood, of Moravia, Rockefeller's second boyhood home, invented the first steel plow. Thus far the Moravia neighborhood sets far more store on his giving than on Rockefeller's. As early as Rockefeller's boyhood in Moravia Daniel Webster wrote the inventor's two daughters that their father had been a public benefactor, and on John Quincy Adams' desk, after his death in the house of representatives, was found a letter to the daughters sympathizing with their efforts to secure a special bill to extend the life of the patent which thus far had cost a fortune and returned nothing. Since then the steel plow has earned vastly more than Rockefeller has given away, but perhaps not more than Rockefeller's marketing of oil has earned.

Ezra Cornell started Cornell University, a day's team drive from Moravia and half a day from Owego, but twelve years after Rockefeller left New York State. Founder Cornell's initial gift, $500,000, was much less than one month's income from Rockefeller's educational foundation. His university has trained teachers, especially of agriculture, for colleges all over our country and engineers for the country's great undertakings. In business Ezra Cornell helped start the telegraph, himself set the first poles between Washington and Baltimore, showed the same faith in the telegraph's future that Rockefeller later showed in oil's future, and, Rockefeller says, preceded Rockefeller as a trust builder.

Another boy of Rockefeller's region, Andrew D. White, helped start Cornell University and was its first president from 1866 to 1885.

Glenn M. Curtiss, of Hammondsport, one of our three famous inventors of airplanes, was born about two days by horse team away from Rockefeller's boyhood homes, Moravia and Owego.

General H. M. Robert, of *Robert's Rules of Order,* was

born in Owego and was a young boy of thirteen when eleven-year-old Rockefeller moved to his neighborhood. Millions of Americans owe to him an important part of their education and millions of meetings owe to him their orderly procedure.

Elizabeth Cady Stanton and Susan B. Anthony, born at Johnstown, New York, in 1815, and Adams, Massachusetts, in 1820, engineered the world's first woman's rights convention in 1848 at Seneca Falls, less than a day's ride by team from where Rockefeller, then nine, was living.

James Fenimore Cooper (1789-1851), reared from babyhood in the midst of woods and on the banks of a lake two counties east of Rockefeller's boyhood playground, interested the Europe of his own time and also generations since in the pioneer background that produced Rockefeller. If young Rockefeller read his tales he has recorded no debt to them.

Robert G. Ingersoll, born six years before Rockefeller, about fifty miles from Rockefeller's Moravia home, went into the Civil War which Rockefeller stayed out of; won fame as a corporation lawyer, while Rockefeller was a corporation builder; ridiculed the *Bible* that Rockefeller reverenced; died too soon to see Rockefeller accepting as true and religious what was execrated as atheistic and vicious when oratorically urged by Ingersoll.

Hiawatha, "Five Nations" chief, is one of the most formidable rivals of Rockefeller giving. He conceived the trust idea a hundred years before Rockefeller was born and applied it in the region of Rockefeller's boyhood. His romantic capital was Hiawatha Island in the Susquehanna River near Rockefeller's Owego boyhood home—far more important historically than Williamsburg or Rheims which Rockefeller money has restored. It is true he applied it to government, but his principles were employed as the working law of Rockefeller's oil trust. Each nation retained its own council

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ROCKEFELLER'S SECOND BOYHOOD HOME

1843-1849, near Moravia, overlooking Lake Owasco
As he saw it last tenanted by convicts working on a state road.

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HIS THIRD BOYHOOD HOME

Three miles from Owego, near Hiawatha Island.

and its management of local affairs. The general control was lodged in a federal senate, composed of representatives elected by each nation, holding office during good behavior, and acknowledged as ruling chiefs throughout the whole confederacy. The confederation was indefinitely expansible. He wished the federation to extend until all the tribes of men should be included in it, and peace should reign everywhere. What a rival for Rockefeller to cherish and perpetuate in man's memory!

Five Other Rivals In Giving

In the Hall of Fame at New York University is the bust of one American business man, elected to this college of American immortals for his gifts to education. He is the only philanthropist and only business man among sixty-seven immortals. His name was George Peabody of Baltimore—farmer, country storekeeper, traveling salesman, international banker—who started an educational fund of $2,000,000 in 1867, two years after Rockefeller became an oil man for keeps. Will Rockefeller have a niche here? George Peabody's fund was for education in the south, half his fortune, two years after Appomattox! Gifts were made to elementary and normal schools and also to individuals for scholarships. Before Rockefeller's first great gift to education in 1902, this Peabody Fund had given away about $3,000,000 to southern education. The Rockefeller board avows its successorship to the Peabody giving.

Eight years before, Peter Cooper, in 1859 when Rockefeller was making his first bank loan on business credit, started Cooper Union, a day and night school for training skilled workers. Reared with too little schooling in a small Hudson River town, Peter Cooper gained a fortune as iron manufacturer in Baltimore and Trenton, but gave his school to his birthplace, New York City. With little self-advertising,

too little for its own financial good, this pioneer industrial school presents a serious challenge to Rockefeller giving.

Charles Pratt, one of Rockefeller's oil partners, started the Pratt Industrial Institute in Brooklyn before Rockefeller began big giving. His partner's example made a deep impression upon Rockefeller, who cited it at the New York investigation of 1888 as an illustration of his oil family's public spirit and philanthropic effort.

Robert C. Ogden, New York manager for Wanamaker's store, had for many years prior to Rockefeller's educational fund worked north and south for an educational revival in the south. He was a charter trustee of the General Education Board before Rockefeller's founding of it was bruited.

Johns Hopkins, a Baltimore merchant, left $7,000,000 in 1873—the year Rockefeller was recovering from the "Oil War of 1872"—for a five year old local university that took his name with his millions. If Rockefeller was consciously influenced at all by Hopkins or by the New Yorker who founded Vassar College in 1861, he has never said so.

These precursors are forgotten in the eulogies of Rockefeller and his agents. Reverend Wallace Buttrick, the General Education Board's executive, was widely credited upon his death in 1926 with having opened the way for the educational renaissance in the south that in reality was in full swing before he and Rockefeller entered the field as accellerators via money gifts.

Carnegie and Ford Rivalry in Giving

As late as 1907 when Rockefeller made his cloudburst gift of $32,000,000, Andrew Carnegie was ahead of him in the amounts given and the variety of causes and places helped. He was also twice as rich as Rockefeller admitted being.

There were the Carnegie Institution for scientific work

at Washington; the Carnegie Institute of Technology at Pittsburgh; the Carnegie Foundation for the Advancement of Teaching in New York City; hundreds of Carnegie libraries and church organs here and abroad; numerous gifts to colleges; and largesse of many descriptions to communities, societies and individuals. Finally, there were books, articles and speeches galore. For example, there was the Carnegie gift to men's minds that it was a disgrace for a man to die rich.

If you had to choose between the two impetuses toward education, the Carnegie library erected by Carnegie on guarantees of perpetual public support and Rockefeller's gifts to colleges, which would you rather have given?

Henry Ford rivals Rockefeller as a money maker. Is he a rival in giving? He doesn't believe philanthropy best expresses itself in money given away for others to spend on church, charity or college. He has given men's minds a challenge to Rockefeller and Carnegie giving. He carries almost to its logical conclusion one theory which Rockefeller preached but failed to practice, namely, that the best philanthropy is profitable employment and direction of workers in an industry serving some universal need.

Ford has also given three other ideas that will compete with Rockefeller ideas for the world's gratitude: raise man's standards by raising his minimum wage; combat hard times with higher wages and thus start buying on the up grade; make plans to do in five days what now takes six, thus adding to man's leisure for enjoying the results of his toil. Do such idea-gifts rival Rockefeller money-and-idea-gifts?

Whether Rockefeller is the world's champion giver or merely the champion money giver, depends upon what has happened and will go on happening to men's minds and men's strivings because of his life. The following chapters disclose possibilities of obtaining vastly more benefit from

Rockefeller living and giving than past uses of his foundations have made possible.

His Strongest Rival

THE one rival in giving to whom even Rockefeller must take off his hat is the taxpayer, the greatest philanthropist of all. Where Rockefeller foundations yield $25,000,000 a year, the taxpayer in the United States alone invests over one hundred times as much on education alone. New York City alone spends more on health than does the Rockefeller Foundation. So permanently paramount is the taxpayer that Rockefeller's greatest opportunity for service is in playing leaven to tax paying and search light for taxpayers.

CHAPTER 54

"A NIAGARA OF BENEVOLENCE"

THE largest sum ever given by one man in the history of the world, up to 1907, was Rockefeller's $32,000,000 of that year to the General Education Board.

So the Board's announcement broadcast. So thousands of newspaper audiences were told, first in news stories with big headlines and later by editorial writers who declared that Rockefeller's "Niagara of benevolence symbolized the greatness of American opportunities."

Relativity, vital in fact though not yet popular in name, accentuated the world's amazement and stimulated the glands of forgiveness and gratitude. This $32,000,000 was an eighth of Rockefeller's fortune, said hyperbolically his closest adviser Reverend F. T. Gates. Surely that was giving after it hurt! The gift seemed smaller to the few who refused to accept the Rockefeller estimate for publicity of the Rockefeller fortune and set it above a billion.

Picturesque apostrophe left no superlative expressions for Rockefeller's later gifts of $50,000,000 and $80,000,000 and $100,000,000 at a fling.

Naturally the size of the "dazzling . . . princely gift . . . on a scale to amaze the world . . . for results which will far outstrip human calculation" checked many an impulse to question the announced intention to use Rockefeller's gift for imposing the condition that others double or quadruple his gift to each college, for helping city rather than country colleges, for strengthening women's colleges, and for insuring a strong college in every twenty-five hundred square miles and every city of a hundred thousand.

The Niagara would have seemed like several smaller cascades and would hardly have exhausted superlatives if the public had known then, what events proved, that less than $11,000,000 of this newest acquisition to what one British paper called "America's national collection of monstrosities" was to be used by the Rockefeller board and nearly $22,000,000 for the University of Chicago founded by John D. Rockefeller and the Rockefeller Institute for Medical Research.

Suspecting that the effect upon 32,000,000 adult minds of such an "astounding beneficence" was more important than what $32,000,000 even in one gift could accomplish, I subscribed to a newspaper and magazine clipping service for comments upon the record-breaking gift, to describe which fittingly one editor said "a new word should be coined." They poured in by the hundred from all kinds of journals and all parts of the world. To this day I find them more interesting than most current "best sellers" because they portray a dramatic turning point in America's public and private thinking. They were the harbingers of a new Rockefeller, a new public attitude toward "predatory" wealth and its methods of acquisition if only it could be tapped for institutional education, charity and religion. See 11, Part VII.

Giving Removed Taint

THE Niagara benefactor was under prosecution by the United States government for having violated law continuously since 1872. For five years he had been anathematized not only by muck rakers but by moralists in all walks of life echoing Ida Tarbell's criticisms of his practices and contempt for his personality. Out of a clear sky came this gift so "dazzling" that it literally mesmerized onlookers by the million, more especially the leaders in good works who saw new possibilities of money assistance.

"Don't touch it" was drowned in cries by sectarian organs that church colleges "can well appeal for recognition" and by secular papers urging their cities "to get busy after a bunch of it." As one editor said, it did not require the tongue of a prophet to predict a struggle among colleges for as much as possible and the question whether it was tainted would not be considered.

"Let's get some of those millions while the getting is good" was whispered and shouted in cities like Buffalo, Harrisburg, Birmingham, Kalamazoo, Louisville and Kansas City.

Before this $32,000,000 with its spawning promise of smaller gifts was dangled, it was easy for preachers and college presidents to back President Arthur T. Hadley of Yale in his demand that President Roosevelt's "malefactors of great wealth" be *ostracized!* After the dangling it was easier to join him in "putting money to good uses whatever its source."

Colgate University flocked all by itself in announcing that it would neither beg nor accept Rockefeller money. It was widely ridiculed and condemned for its stand. It thrived better than Syracuse University,—arch defender of Rockefeller.

Bellweathers of public opinion, whose contention that Rockefeller's business methods were a menace to industry and democracy was too recent for a graceful overnight summersault, consoled their followers with the reflection: "If there is any taint in the money it is in the getting not in the giving"—"There is no better way of removing the taint than by this giving it back to the people"—"It is not the money that is tainted but the man"—"Receiving money does not honor the donor."

As in Rockefeller's business coöperation those competitors throve best who came in with him on his terms, so in his college giving the arguments for coming in with him promptly proved fittest to survive. In effecting this conclusion, Rockefeller had only to dangle the millions. Self-starting appetite did the rest. Charity, church and college echoed in chorus: "We must separate the method of making from the method of using" in answer to the claim that taking meant either believing it was gained worthily or being indifferent to its source. A watering mouth asks few questions about social consequences upon posterity.

CHAPTER 55

ECONOMIC PENETRATION OF CHURCHES

TO his religious life Rockefeller has given money, time, service, outward conformity, tolerance and institutional loyalty. Had he given money for none but religious work he would still be one of the world's chief money givers.

Until 1905 his giving was denominational. He wanted to be a Baptist and with the Baptists stand. He frankly said he was a Baptist giver to Baptist work. He founded the great Baptist university at Chicago,—and his founding it was about the last really Baptist thing that happened to it.

Baptist praise of him in 1889 was a vast, nation-wide

hallelujah chorus. Yet no other denominational body has ever publicly criticized Rockefeller as did the Baptists in 1926, when a speaker on "The Challenge of Mammonized Modernism" declared that the establishment of Chicago University was the "beginning of Rockefeller wealth to mammonize the Baptist Church," and claimed that "Rockefeller influence is dominating the Baptist conventions, especially in the north."

After fifteen years of almost complete immunity from criticism in religious and educational circles, Rockefeller must have been terribly startled if he read this 1926 reminder of his regular news diet from 1880 to 1912. Think of such a story on the second page of the financial section of the *New York Times!*

This particular criticism from southern Baptists proved to be but a flash in the pan because voiced, not in the interest of untrammeled higher education, not in protest against the origin of Rockefeller money or against foundation giving, but rather against an alleged pressure to give up what is now called fundamentalism in religion.

Thus again in 1926, as at the time of the South Improvement scheme in 1872, at the time when he was indicted for criminal conspiracy in 1879 and at every other crisis in popular criticism of him, Rockefeller benefited from confused and conflicting issues and from division among those doubting his acts.

The 1926 tempest in a Baptist teapot was not the first commotion in Baptist circles over Rockefeller giving. In 1905 the famous Congregational preacher, writer and lecturer, Washington Gladden of Columbus, Ohio, publicly urged Baptists to decline a gift of $10,000,000 tendered by Rockefeller; this was the year following the completion of Ida Tarbell's serial story in the old *McClure's Magazine*. In 1889 the announcement to the American Baptist Education Society meeting in Boston that Rockefeller offered $600,000 which later became $20,000,000 toward a Baptist

college, "caused a perfect bedlam of applause, shouts and waving of handkerchiefs."

The two extremes of praise and condemnation were experienced by Rockefeller at these two times. Wherever, with but negligible exceptions, there was a Baptist church or a reader of Baptist magazines in 1889 there Rockefeller was hailed as "a leader and a giver" whom "God has provided," as a "God-fearing man of colossal fortune" whom "God had ready" and "society raised up." For a year such praise flowed incessantly. It crescendoed until the next annual meeting, this time in Chicago. Lloyd quotes a writer in the *Independent* as believing that "pecuniary benefaction to a public cause seldom, if ever, flowed from a purer Christian source." The presiding officer declared that he "needed ice on his head on account of the joyful excitement of the occasion."

The chilling Gladden protest of 1905 had a poor chance in the atmosphere of Baptist enthusiasm for Rockefeller that had been growing warmer and warmer since 1899. No official Baptist needed ice on his head to keep from burning up the emotional carburetors. Gladden's prophecy that the Baptists would become mammonized was then vigorously repulsed by the very Baptists who in 1926 and 1927 confessed having been mammonized.

A Turning Point in 1905

Gladden said in the *Outlook* and in other places and ways that the Baptists could not afford by accepting huge Rockefeller gifts to become party to Rockefeller methods and to blinding the public's eye to brigandage in building fortunes. He cited the burning of Rockefeller records wanted by the Ohio courts, $10,000,000 rebates from one railroad in eighteen months, and Rockefeller evasions of questions. That Rockefeller "had forgotten almost everything," Gladden said, was "no reason why the rest of us should forget."

The unpopular appeal to churchmen, the anti-Rockefeller side, was voiced in nearly every magazine of the time, 1905, but was rejected by editors of home magazines like the *Outlook* and *Independent.*

In the *Independent,* Dr. Gladden, always the boldest and most specific of the clerical critics, said:

"Rockefeller is the concrete embodiment of the unrighteous methods of his company [which he says he had turned over to others in 1895]. It is not unfair to condemn him as the exponent of methods in business which can have no place in the Kingdom of God. . . . It is of supreme importance to set forth the principle that the world is not to be Christianized by money gained by trampling upon the sacred rights of men and by methods utterly selfish."

To those who cynically or parasitically admitted Rockefeller derelictions but said "everybody's doing it if he can" and "money carries no taint" Dr. Gladden shouted: "Much that has been within the law has been no less iniquitous than that which the law has punished." An *Outlook* reader, John G. Taylor, added: "Not to be condemned by a court is no acquittal of a moral crime. Wickedness may be within the boundary of the law."

A characteristic protest against condemning Rockefeller methods and then shrieving them by church acceptance, appeared in the *World To-day,* April 1905. "We who oppose [taking the Rockefeller gift]," wrote Rev. Charles A. Prouty, "not only claim the right to pronounce judgment against him, but regard it as a solemn obligation to testify against him as a great enemy of industrial freedom and commercial morality. We do not think the Christian church has any more urgent duty now upon her hands than to bear this testimony." The Christian church disagreed.

Taint vs. "'T'ain't Taint"

THE *Outlook,* then edited by Dr. Lyman Abbott, understood better the majority of the Christian church and all other churches. It absolutely declined

"to condemn Rockefeller's good deeds because of his evil deeds. Christ would not call Mr. Rockefeller before Himself as judge. He would condemn the national sins of our time, he would not select special sinners to be the subject of his special condemnation. There should be a special committee to state how Christ's principles would apply to present industrial and commercial wrongdoing. Don't make a scapegoat of a single man."

The third decade of the twentieth century finds it hard to realize that magazines and newspapers, so recently as 1905, could have resounded with debates over the probability that accepting Rockefeller gifts would silence recipients and cripple their desire if not their ability to think straight. Dr. Gladden's side of the debate asserted that taking Rockefeller money meant closing eyes and consciences to perjury of intent and result if not to perjury of words, to economic if not legal brigandage and subversion of the law. The *Outlook,* claiming to look deep into man's psychology and far back into man's history, declared: "The notion that receiving money should silence the recipient has nothing whatever to justify it. Receiving money does not honor the donor." Reverend Prouty rejoined: "It is idle to say that we can take this man's money and then turn and fight him. He would not have given his money if he had expected us to set ourselves in array against him."

The *Outlook* said trustees of higher education, philanthropy and religious work "are not fitted to investigate the source of gifts and ought not be asked to pass judgment on the totality of the individual's character. God alone can judge the saint and sinner." To all such evasion, Pro-

fessor Vida Scudder of Wellesley College replied for the same audience: "It is not judging a man to let his money alone." Admitting that Rockefeller had "not yet" been "convicted of dishonesty" she recalled that his "methods" had been "indicted." Her answer to the "judge not" plea was double-barreled:

1. "Accepting Mr. Rockefeller's money is a moral judgment since it will distinctly help to maintain his moral status in the community.
2. "On the other hand rejecting means not condemnation but uncertainty."

Enticing Reasonableness

THE tide was turned in 1905 as it was in 1926 by the enticing reasonableness of reminders like these:

"Money gained by fraud should be accepted unless it can be returned, unless taking it implies approval of the methods by which it was gained, but should not be solicited." [As the Rockefeller gift to churches was unsolicited, and could not be returned, taking it carried no implication of approval.]

"Moral principles are not to be measured by the size of the transactions." [By 1927 bigness had been almost universally accorded the same moral level as littleness.] "Tens of thousands think business is war" [and that all is fair in war or at least that most of us would do all that Rockefeller did if we had the chance and thought we could "get away with it"].

"[The campaign to refuse Rockefeller gifts] turns the indignation of the national conscience away from a national wrongdoing . . . because it singles out one illustrious example of a pernicious system and leaves the system itself unrebuked."

Harking back to Rockefeller's South Improvement Company of 1872 and his using it to gain control peacefully and legally of Cleveland's oil refining, the *Outlook* escaped censure for condoning Rockefeller methods by adding: "The facts are well authenticated and the immorality of the transactions conceded."

The constructive turn was editorially underscored by the *Independent*: "The public has awakened to the fact that rebates granted to certain customers and not to others by public service corporations holding franchises from the public are wrong when judged by any moral standards that reasoning men can accept."

As late as 1916 the Protestant Episcopal Board of Missions debated the desirability and danger of Rockefeller gifts. A Boston divine expressed fear of "an infringement on our control of our own institutions" if Rockefeller money for their China university and medical school were accepted. This fear was not because of any money taint but because the Rockefeller Foundation wanted to make the appointments. The assertion "We can take care of our institutions very well ourselves without outside aid" was not convincing when face to face with the outside aid. The money was accepted.

CHAPTER 56

"FLOOD RELIEF" FOR COLLEGES

FROM 1902 until the spring of 1926 almost every college in the country cherished the hope that sooner or later it would win a Rockefeller prize. In that time no fewer than 291 different colleges and universities received Rockefeller gifts ranging from a few thousand to a few million. All told, the Rockefeller General Education Board had promised over $122,000,000 for education and actually parted with $83,000,000, of which colleges were promised $110,000,000 and received $82,000,000. Of the country's colleges, 141 received gifts toward their general endowment and 170 received gifts for endowment toward increasing salaries, not counting medical schools conditionally promised $35,000,000 and already given $24,000,000.

While this princely giving to colleges and universities was

under way, it was natural and practically inevitable that the college world, including its fringe of alumni and patrons, should publicly take the position that "the oil king can do no wrong" and that the only broad-minded, Christian and tactful position to take regarding Rockefeller gifts was to applaud them and condemn all criticism of them.

What educators really think about Rockefeller giving is now nearly free to come to the surface, because in the spring of 1926 the General Education Board announced its "virtual withdrawal" as an endowment builder for higher education. Its announcement said it had "largely finished its work in this particular field" and suggested that its virtual withdrawal might "encourage college administrators to devise other ways of handling the problem [of financing education] than meeting the main part of the cost out of the income of endowment funds."

From now on if higher education disagrees with Rockefeller giving, it will, with relatively few exceptions hoping for research funds, have no pecuniary reason for not expressing itself frankly. Some years ago when similarly unshackeled by the Carnegie Foundation's announcement that it must stop giving pensions to new faculty members and new colleges, higher education broke out into not only free speech but vituperation, thus confessing that in its former adulation of Carnegie giving it had been paying lip loyalty and not mind loyalty or heart loyalty to the hand that fed it.

Opinions of 33 College Presidents

For this book 33 college presidents in 24 states answered the following question:

"What do you consider Mr. Rockefeller's most important service to education? Please specify educational methods and achievements due directly and chiefly to his giving and withholding."

All told they listed thirty services of which twelve were mentioned by more than one president. Not one educational idea, not one educational method and not one achievement in education was specified. This may be due to the fact that college presidents are prone to treat money and equipment as educational results because these may lead to such results.

Seven found that Rockefeller had stimulated local giving. One reported that church constituencies were giving more. Another that "the vision of niggardly givers" had been enlarged. A fourth that the public had been "educated to the needs for endowment for raising teachers' salaries." This makes eleven out of thirty-three who credit Rockefeller with stimulation of others' giving.

Six listed each of the following results: increase in salaries; better methods of accounting and higher educational standards.

Three mentioned helping colleges secure endowments.

Two listed financial aid to colleges; world wide service to medical education (much being due to the Rockefeller Foundation and not to the General Education Board); "adding to the dignity of college teaching by raising salaries"; rescuing small colleges by insuring their future; making selected institution efficient; and "helping colleges realize their ideals."

Three saw the saving of their own colleges as the greatest service,—an attitude that in twenty-six years the Rockefeller relief might have reduced if it had not been flood relief.

Other services listed were specified by but one president each: Rockefeller helped building projects; caused honest appraisals of equipment; caused colleges to "bestir themselves"; stimulated to independent action; started "self-examinations"; incited better policies of publicity; made possible better teachers; set up sectional institutions as models; encouraged the expansion of higher education.

Even the refusals have helped, wrote one, "by challenging

colleges to correct the unsatisfactory conditions that forced the refusals."

"Lifting the vision of unassisted as well as assisted colleges has been of infinitely more value than the financial help," said one. "Asking communities to match his gifts" was called the greatest service, while another way of putting it was "Their grants have been a challenge to friends and have helped far beyond the value of the grants themselves."

Most significant of all, because it expresses the wide conviction among colleges that donors have finished their job when they give money, is the following: "Leaving ideals, methods and achievements to the initiative of institutions."

Of the same 33 presidents 24 also answered the following question:

"What if any disservice or delay in helping education do you feel has resulted from Mr. Rockefeller's method and scale of giving?

Twelve say "None"; 8 are aware of none; 4 gave the following:

"Withholding help simply because institutions had not lived within their incomes."

"Too little help to Catholic colleges though Catholics are one-fifth the population."

"It has been a handicap to smaller institutions because people have been led to think that a big institution is a great one."

"I have heard rumored but never seen that institutions have tended to curtail freedom of teaching and to gag teachers because of these gifts or hope for them."

One president whose request had been refused on the ground that the Rockefeller board "never promoted new colleges" wrote that "we secured two new buildings within a year after the foundation refused our request."

The striking thing about these opinions is that they all express the assumption that more money must necessarily

mean higher ideals and better education. Rockefeller flood relief giving did not dispel that illusion. Rockefeller officers deny the higher ideals and better education. Nor is it clear that others' giving might not have been stimulated far more by facts and ideas than by Rockefeller money.

Incognito Founding

THE charter granted by congress to the General Education Board January 12, 1903 does not mention Rockefeller. Up to that time the publicity had not indicated that Rockefeller or his representatives were part of that board. The incorporators were known chiefly for interest in southern education. Rockefeller's agent, Dr. Gates, was in this group, but there was no publicity to indicate that he was there as Rockefeller's representative. The charter itself includes Dr. Gates with the eight other original founders, but does not include Rockefeller's son and Rev. Wallace Buttrick who were later reported as having been elected trustees in 1902.

Not until 1914 does Rockefeller appear as the founder of the General Education Board, seven years after his world-startling gift of $32,000,000.

Would congress in 1903 have granted a special charter to Rockefeller? The Tarbell articles had been running several months. The interstate commerce commission was reporting violations by Rockefeller's oil company. President Roosevelt was trying to get a bureau of corporations established and claiming that Rockefeller's company and Rockefeller himself were trying to block him. Rockefeller big giving had not yet begun to whet the appetite and soften the judgment of church and college leaders.

In view of Rockefeller's failure to secure a congressional charter in 1911 to 1913 for a new hundred million dollar foundation, it is doubtful if congress in 1903 would have chartered an educational fund named Rockefeller with three Rockefeller agents out of eleven on its board.

Doubtful Qualifications for Leadership

Of twelve officers named as captain, mate, pilot, cook and seaman of this educational craft it is doubtful if as many as three of them were known to 1% of the leaders in the educational world for any contribution or special fitness in that field other than is implied in being an agent of Rockefeller millions.

Never in its quarter century did the Rockefeller board employ an expert in higher education. There is nothing in any one of its reports to warrant such an indictment of its beneficiaries as is quoted here in Chapter 68. There is nothing in any of the published surveys that it made in any state to indicate that it was finding such conditions.

The investigator whom it used to make its college studies, Abraham Flexner, did but one year of graduate work. His contact was with a private school teaching subjects which as Rockefeller agent he insisted did not pay intellectual or character dividends. Before going to the Rockefeller board he had a short experience with the Carnegie Foundation studying medical education, which study, however, dealt with organization and equipment rather than with education itself. He worked there under the direct supervision of President Henry S. Pritchett of the Carnegie board. He wasn't allowed to write or speak for publicity away from supervision. His reception in medical colleges was due in large part to a confusion of identity which attributed to him the work and standing of his brother Dr. Simon Flexner, the medically trained head of the Rockefeller Institute for Medical Research.

The executive for twenty-four years, Rev. Wallace Buttrick, was not a college graduate, never did graduate research work, never had training in scientific research or in supervising either research or higher education. Of his

charm, modesty and unassertiveness there can be no question. But it was contact with Rockefeller money not with higher education, agriculture, science or research that qualified this Baptist minister for his important stewardship.

His successor—the new executive of 1926, Wyckliffe Rose—had a full college training, had five summers in graduate work, taught several years in southern colleges and from 1900 to 1926 led in organizing international health work against hookworm and malaria for Rockefeller funds. In him for the first time the Rockefeller education service had at headquarters a training and experience which most of his field agents considered superior to their own, and which the academic world recognized as almost "up to scratch."

Were Moonlight Schools Often Passed By?

In 1926 a national organization was established to get done for the whole country's illiterates what the "moonlight schools" of Kentucky did for 130,000 illiterates,—teach them to read and write. Its slogan "No illiteracy in the census of 1930" was widely adopted by official workers against illiteracy and by the whole National Education Association in 1926. Its chairman is William Allen White, writer and a trustee of the Rockefeller Foundation. Its sponsors include many foremost educators. Its executive officer is Cora Wilson Stewart whose initiative and salesmanship made Kentucky's moonlight schools a national inspiration and brought her the $5,000 *Pictorial Review* Achievement Award of 1924 for the most outstanding service by a woman in any field.

Literate Kentucky was stirred to new ideals of education and patriotism by stories of grandparents and parents of "good old native American stock" walking, fording mountain streams or riding mules miles and miles by moonlight to learn to read and write.

Few equally thrilling stories have ever been told in education. Its telling by county superintendents and state officers was chiefly responsible for the educational revival which led Kentucky's accelerated law makers to ask the Rockefeller education board to survey Kentucky's public education.

Yet Rockefeller surveyors worked months in that state without discovering a moonlight school or a fight against illiteracy or a single worker to commend except two on the Rockefeller payroll.

Moonlight schools escaped them as completely as Rockefeller forgot business facts sought by legislative committees about the South Improvement Company, railroad rebates, drawbacks, etc.

Not one syllable appeared in their extensive report on public education in Kentucky to indicate that they had ever even heard about a crusade against illiteracy by the moonlight schools.

Worse still, they left something in their wake which weakened that crusade locally and started disparagements of it in high circles far from Kentucky.

How many inspiring moonlight school crusades against different forms of illiteracy Rockefeller giving has passed by is a legitimate question for the coöperating public to ask. "Too many," is history's answer.

CHAPTER 57

PUBLICITY FOR EDUCATIONAL GIVING

THE published reports of the General Education Board are free. They go to a large mailing list after being digested for newspaper broadcasting. Compared with the openings for it the publicity is surprisingly little, partly because the board's executives have feared the effects of much

publicity and partly because the central office has never been organized for educative publicity. Study and frankness leave no doubt that a few added thousands, or a few dozen hours a year without added thousands, invested in "telling the world" would have saved millions spent with too little helpful circulation of important truths gathered or gatherable by the Rockefeller board.

Not possessing certified facts about best practices or most valuable experiments and studies in education the Rockefeller publicity forces cannot of course transmit them. Because the only publicity, with very few exceptions, that has ever come from its office has dealt with itself, the educational and giving worlds do not turn to it for guidance except where more money is desired. Hence Rockefeller's bitter disappointment that others have not given hundreds of millions to be administered by his board, as he was told and himself wrote would doubtless happen.

In farming out their publicity to Rockefeller's personal publicity agent without giving him a free rein in laying the fact and service basis for it, the trustees traded their birthright for a mess of pottage. Their publicity was vastly less in space and in educative value than it might easily have been if presented as the nation's news rather than Rockefeller press-agenting. Cloudbursts were employed when frequent sprinkling was possible and desirable. In ten minutes Rockefeller himself could see ways of improving this educational publicity 100%.

Rockefeller's amazement upon learning that, with all his reputation to conserve and all their millions to spend, his trustees year after year permitted not only gross inadequacies but gross inaccuracies in publicity would be heartrending to observe. While he often evaded questions he was scrupulously careful not to make specific statements that he believed could be checked and found wrong.

Rockefeller never could believe, for example, in broadcasting—not once but often—three different figures for the same giving, one in trustees' editorials, one in trustees' reports and still another in his own publicity agent's news releases.

He could not possibly have signed his board's claim in 1921 that it had spent all its income plus one third its capital when the very report which contained that statement also showed this claim incorrect. It had actually voted less of its capital than the widely heralded gifts which Rockefeller had expressly asked that it give away and not hoard. It couldn't find any emergency for a fourth of the $50,000,000 given it by Rockefeller to increase college salaries. See later discussion here and Index.

He would never have pleaded inability to attend to all emergency requests from colleges for the emergency $50,000,000 he had given, on the specious ground that the central office in spite of "all possible assiduity" was swamped. His oil company never apologized for being so swamped with orders that it could not fill them. That year his board's overhead was $140,000. There was no reason why it should not have been $10,000 or $50,000 or $500,000 larger to meet the emergency he had so munificently recognized. The bank interest on the unused emergency funds greatly exceeded any possible extra draft needed to give college teachers the immediate help Rockefeller had offered.

The motive of the publicity service being to attract favorable public notice to Rockefeller rather than to give interesting and helpful information about education's progress, it was easy for a publicity agent, when turning from commercial press-agenting to Rockefeller's giving for education, to present only impressionistic pictures. This was the easier because it was not necessary to submit copy to trustees.

Had Rockefeller been willing to claim for himself all giving by others in drives where his board's gifts were con-

ditional upon two or five times as much being raised, he is still too astute and too polite to credit others' giving "to our efforts," as his board's publicity did repeatedly.

He would never have begun his educational publicity drive by giving the impression, as the publicity in the board's name did, that he had given away $117,000,000 when that total included $40,000,000 to be raised from others and under $11,000,000 had actually been pledged away from his control and the university he founded.

Rockefeller himself never would have prepared publicity reports so that newspapers would almost certainly report his total giving for thirteen years as his gift for the one year reported upon.

It is even probable that Rockefeller would have personally corrected the newspaper headline *"$100,000,000 Spent by Rockefeller Board on Schools,"* when his treasurer reported under $12,000,000 parted with.

Rockefeller would never believe his own eyes if they showed him such discrepancies between publicity and fact. There is nothing in his personal make-up to warrant a suspicion that he realizes how his publicity has sacrificed great possibilities by overplaying him and the tricks of hothouse publicity.

How His Trustees "Told the World"

If anywhere in the world the public has a right to expect the last word in reporting efficiency, it should be by a Rockefeller education board with $75,000,000 in capital, any part of which it was free to use any year plus an annual revenue of nearly $6,000,000. It was free at any time to set up in its own office the kind of information service which it has helped three southern state departments of education to install, namely, "machinery for the continuous study and survey of educational conditions and results." Yet few of the leading local charities of the country fall so far short of efficiency

in reporting as did the Rockefeller General Education Board.

It gave neither public nor trustees the concrete information with which to check the accuracy of its claims and the soundness of its policies.

It did not give the public the information which the public needs before deciding how grateful to be and how much to coöperate or imitate.

It invited no suggestions or criticisms.

It printed no lists and gave no ideas of alternative policies submitted to it, which would, if known, suggest possibilities to other donors and the public.

No one could possibly want one of its reports about, so little was done to make them attractive.

Otherwise, the reporting was admirable! What is said was easily readable if not entertaining. Its general summaries of finances were clear. It did what most churches, charities and colleges still shirk, it described the purchase value and yield of its stocks and bonds.

Instead of coming out promptly, if only as an example to educational administrators who should use each year's report for help in their next year's administration, the report for the year ending June, 1925, came out in the late spring of 1926; that for June, 1926, in March, 1927.

In the content and method of its accounts of stewardship this Rockefeller board, which in such matters was unfortunately but Rockefeller's own private office, reported what its dominating paid officers were ready to disclose rather than what would equip the public or even the trustees of the fund themselves to think independently as to the board's efficiency.

No Report for 12 Years

Not until its thirteenth year did this board, founded in 1902, give any account whatever of its stewardship to the

public. It waited until it had worked twelve years, had been given $22,000,000, had appropriated $16,000,000 and had seen its donor summoned to federal inquisition, before it gave out information with which the public might try to decide for itself how necessary and useful the board's work was and how well its stewardship was being discharged.

In early 1915—in time to start an avalanche of publicity just before Rockefeller himself, his agents and his foundations must appear at the industrial relations commission hearings in New York City—Rockefeller's educational board issued a 254 page, unindexed report for the dozen years 1902-1914. The initial publicity claimed in flaming headlines that Rockefeller had dedicated $117,000,000 to education. It was this grossly exaggerated claim, which when analyzed boiled down to less than $11,000,000 actually given to colleges and universities other than Rockefeller's own university at Chicago. It was broadcast to the press by Rockefeller's private publicity agent, who had no official relation whatever to the General Education Board. It was not even shown to the board's trustees.

Prior to 1915, it is true, simple reports had been made to the United States secretary of the interior, as was required by the congressional act which chartered it. These skeleton reports gave the total of stocks and bonds owned by the board, the amounts spent and the amounts received, but did not describe the work or give what by any stretch of the imagination could be called an account of stewardship. It did not report such facts about service as were already considered minimum essentials for charitable and educational activities dependent upon annual subscriptions for support. It was not remotely suggestive of the accounts of stewardship required by Rockefeller's private office before consenting to hear others' appeals.

When in 1915 it finally started reporting annually, it gave this reason for having let twelve years go by without re-

porting: "As the board's work was felt to be experimental in character, premature statements respecting the scope and outcome of its efforts were to be avoided." This explanation was what the world calls "disingenuous" and merely advertised the Rockefeller agents' conviction that they needed no public help in planning and studying; that the public had nothing worth while to give; that money rather than stimulation of thought and effort was Rockefeller's chief contribution; and that there was as much reason for avoiding publicity with respect to the scope and method of projected work as for prematurely claiming credit for results.

Nowhere else in the world around this Rockefeller board were civic and educational activities putting off annual accounts of stewardship for twelve years or even two years.

In this first report it gave first prominence, all its photographs and 33% of its editorial pages to work which had taken 6% of its appropriations, namely its work for farm demonstrations and boys' and girls' club work. This was a patent bid for publicity and popular sympathy when under public attack rather than an efficiency move in educational reporting.

Recent reports are broken into short chapters which might properly be called "chats."

One fundamental weakness of them all is that the Rockefeller board does not let the public know what requests it has thrown into the waste basket, with or without reading them. If it were to list alternative opportunities for service which come to it each year, and invite and publish suggestions—without mentioning applicants—it could undoubtedly do more good without money gifts than all its money gifts have done or can do. Moreover, it would prompt others to give vastly more than it can give.

Again, when it votes money it denies responsibility for informing the public. It does not publish the plan of the studies it subsidizes. It does not publish or ascertain re-

sults. If in 1926, for example, it had told how it was going about the study of the country's forestry question, or how it was going to find out whether there was any chance for it to help agriculture, it would have been fairly deluged with either congratulations or helpful proposals. Any outline of its $50,000 "complete study of forestry here and abroad" would immediately be greeted with evidence that surely no thorough study is possible for any such sum as $50,000.

The nadir of publicity was after the annual meeting of 1927 when the board's head declined to "divulge the names" of institutions given "large appropriations for the advancement of education" because "it would be ungracious for the board to boast about what it had accomplished in furthering education; because beneficiaries should initiate any publicity; and because the board would announce them anyway a month later!"

The official extenuation of such inadequate reporting is: "We do not admit that it is any of the public's business how we give away our money."

CHAPTER 58

"PARTICULARLY FOR SOUTHERN EDUCATION"

IN all its early publicity the General Education Board heralded that "the immediate intention of the board is to devote itself in studying and aiding to promote the education needs of the people of our southern states." The news story descriptive of the first mass meeting held in 1903 is devoted almost exclusively to the proposed work for education in the south for white and negro. In the year 1913 the United States bureau of education gave about nine lines to the General Education Board and listed its three purposes as follows: (1) "Promotion of practical farming in the south, (2) development of a system of public high schools in the

south, (3) promotion of higher education throughout the United States."

In the charter itself there is no mention of the south. Yet nine first members were selected, according to its chairman of 1902, because "no set of men could have been selected to represent more fully the advanced movement of the education of the southern people."

Rockefeller's letters giving his first $1,000,000 in 1902, $10,000,000 in 1905 and $32,000,000 in 1907 did not mention the south. But the publicity issued by the board in 1907, then headed by Rockefeller's almoner, Dr. Gates, featured the needs of the south, much to the distress of several southern editors. See "1000 Editorials," Part VII.

Between its founding and its first report for June, 1914, the General Education Board had pledged over $15,000,000. Of this total $3,100,000 was for southern institutions of higher learning for whites, $140,000 for seven negro colleges and universities, $560,000 for negro industrial institutes, $243,000 for professors of secondary education in the south, $97,000 for the Southern Education Board, $104,000 for southern rural school agents, $926,000 for southern farm demonstrations, $37,000 for southern rural organization service, $18,000 for southern educational conferences. All told $9,360,000 out of $15,500,000, or 61%, went to the south. Of the total, $700,000 or less than 9% went for negro colleges and schools. "South" includes Maryland, however.

It is impossible from published data to tell what part of the total appropriation to date has been for the south, beyond saying that emphasis long ago ceased to be on the south except in publicity. Still in 1925-1926 the south got about 16%. In the record year 1920-1921 the board appropriated $19,000,000 for salary increases to 136 white colleges and 17 white medical schools of which 32 colleges and 5 medical schools in the south got over one-third.

It should be remembered, however, that educational en-

couragement is not in proportion to dollars received. A gift of $100,000 to a struggling southern college, among ambitious young people and adults with small surpluses for gifts, has quite a different message from a $100,000 gift to a rich northern city clientele,—which fact should also be remembered when estimating the efficiency of Rockefeller giving for the south and for negroes.

Toward Education of the Negro

In twenty-four years the negro had 9.5% of the appropriations and not quite 10% of the payments to institutions. The negro shared in benefits from agricultural work, surveys, investigations and administration expenses that by 1926 had totaled almost $4,000,000.

In dollars $13,000,000 has been pledged to negro institutions and $9,958,000 paid to them.

In the years 1920-1921, when largest sums were distributed for salary increases, 30 colleges and schools for negroes were voted $245,000 over three years, besides one offer of $125,000 toward $500,000. For general purposes 20 of these institutions were voted $249,000 and medical schools $170,000. This makes $769,000 to negroes, worst paid of all, compared with $30,000,000 to colleges and medical schools for whites.

In that same year $12,000 was voted for "critic teachers" to help train negro teachers, $10,000 for expenses of promising students in summer schools, $28,000 for negro summer schools, $128,000 for county training schools and $78,000 for itinerant state supervisors of rural schools. Yes, and $3,300 for studying the way negroes are and might be taught and developed by science!

The insignificance of these sums when compared with the negro's need and the opportunity for creative and imaginative leadership is appalling. They simply mean that the

Rockefeller board and its officers haven't yet gotten to the point of thinking seriously about negro education. Its reports on its surveys of public education in several southern states show it. Its doles for salaries of teachers, usually white, in colleges for negroes, shriek it, when its own report shows that in 1920 the average pay of 140 teachers in nine southern negro colleges was $950. Yet with an income of $4,700,000 plus large lapsed appropriations in excess and unencumbered, plus freedom to spend its principal, plus a special $50,000,000 fund, it left 30 colleges with grants of but $145,000 for the next year.

What else might have been done? Free discussion of that question would disclose innumerable ways of improving education for the negro, north and south. On two pages of its report it could list ideas that would help negroes more than its grants alone can possibly help them. In fact it could help a great deal if it would not limit its stories of its own work for negroes to a page as in 1925 or to a page and three tables as in 1924. By this time it should have invaluable stories about negro education for taxpayers and business men.

In 1925 when the southland was worrying about its loss of negro farm workers the Rockefeller board reported that it was scouting to see if perhaps somewhere in the agricultural field there were a place where it could take hold and do something for the country's agriculture. This naïveté could not survive an invitation for suggestion and criticism to its silent partner, the public. From southern educators alone unpurchasable ideas and facts would pour in upon a promise to print if not always to consider.

Would the white south have rejected Rockefeller help for whites if more had been done for negroes? There is reason to answer No, and to ask: What if it had?

Gifts for Agriculture

THE first Rockefeller work for general education was to show southern farmers how to grow bigger and better crops.

Does that seem a queer way to go about helping public education? This is the Rockefeller story:

After the General Education Board saw that it was to have a lot of Rockefeller money for southern education it studied ways of spending the money. It might have advertised its desire for suggestions from southern educators and business men. It might have multiplied the attention to its invitations by offering large or numerous money prizes. It might have taken these steps and at the same time studied all that it did study. What it did do was to send its secretary down south for several years, almost incognito.

The more he studied the more convinced he became that until the southern farmer made more money for larger taxes there was little hope for southern education, no matter how wise the Rockefeller giving. He therefore sought far and wide—still, as in 1926, without advertising his desire for ideas—for some way to help southern farmers increase their incomes.

In his search for some place to take hold, the secretary found S. A. Knapp, one of time's greatest educators, working with eager Texas farmers against the Mexican cotton boll weevil. Farmers were being taught improved methods of cultivation which beat the boll weevil and increased the cotton crop. The United States department of agriculture paid for the teaching. The board's secretary asked, "If the demonstration method pays in dealing with a pest-ridden farm, is there not every reason to suppose that it will pay still more handsomely where no handicap at all exists?"

The answer was a trial in several southern sections not in-

fested by the boll weevil. The demonstration method paid these counties handsomely.

The work away from the boll weevil done with Rockefeller money under government supervision was always completely separated from work done with government money. Uncle Sam paid for demonstration leadership in Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Alabama, Tennessee, Florida and southern Georgia. Rockefeller money paid for leaders in Maryland, Virginia, West Virginia, North Carolina, South Carolina, northern Georgia and later in Maine and New Hampshire. The Rockefeller coöperation began in 1906.

By the time the Rockefeller aid stopped, southern demonstration had cost $3,900,000 of which the government paid $1,900,000 or nearly half, other sources $1,100,000 and the General Education Board $926,000 or nearly 24%. Everywhere the demonstration agents were under the exclusive direction of the government.

So runs the Rockefeller summary.

Dr. Knapp had great faith in southern farms. He said our southern states "surpass all of the countries of the earth of equal area in materials and resources mostly undeveloped." He estimated that fertility could be increased 800%, but only by reaching the farmer through object lessons. "There's no use in sending a carpenter to tell a tailor how to make a coat even if he is pretty well read up on coats." He gave to farmers in demonstration areas the best which the United States department of agriculture knew; all known to southern experimental stations; all known to best farmers; all known to his traveling agents; the advantage of group meetings to foster enthusiasm.

What happened to the demonstration farmer? His yield doubled. His neighbor followed suit. His state started voting money for the same kind of work. Demonstration won and stayed and spread.

Opposition to Rockefeller money, based upon general principles rather than upon anything in its demonstration work or its boys' and girls' club work, forced the General Education Board out of the southern and New England fields. The only possible grievance the public might have had was that there was a tendency to credit Rockefeller money with work done by taxpayers' money and that Rockefeller money tended to paralyze the public initiative it aimed to stimulate. Charges that Rockefeller agents throttled efforts to teach farmers the dangers of overproduction have never been substantiated.

CHAPTER 59

ALTERNATIVES FOR AGRICULTURE

LOOKING back historically upon this Rockefeller giving for agriculture, how, if at all, might it have done more good? This question is given special point for laymen now because the Rockefeller board said it was scouting again for some way to help agriculture.

First of all, Rockefeller money might have sought ideas publicly by wholesale instead of almost secretly by one man's visits.

Secondly, its discoveries in 1906 might have been circulated then and each succeeding year instead of being held back until Rockefeller and his board were under fire in 1915.

Other "Might Have Beens"

AGRICULTURAL schools might have been given the story of successful teaching by object lessons and the general public might have been given Dr. Knapp's evidence that not 5% of the country's farmers had accepted help in improving methods the way agricultural colleges had been trying to give it.

It might have helped congress see by 1910 what it did not see until 1914 about the advantage of the demonstration method everywhere. It might have secured countrywide use of Dr. Knapp's declaration that every year there is enough knowledge worked out by scientists and individual farmers to "readjust agriculture; to reconstruct the rural home and to give country life an attraction, a dignity and a potential influence it has never had." It never compiled or induced others to compile such annual high spots.

It might have withdrawn several years earlier to the advantage of the cause. The very year the Rockefeller giving began Dr. Knapp said of the three-year-old experiment that money came as fast as he was willing for it to come after farmers who had benefited from demonstrations or seen them began writing to congress.

It might have studied the teaching of agriculture in schools and colleges and helped get lessons about demonstration work, boys' and girls' farm clubs, striking farm personalities and inventors, etc., into courses of study,—an opportunity that confronts it to-day while the whole country is alive with revision of courses.

It might have gathered and led the government to gather, not a few sample stories, but the whole thrilling story for continuing educational publicity.

It might have issued a yearly summary picturesquely showing the progress made by government agencies.

When Dr. Knapp died in 1911, it might have helped the whole country's whole education benefit from his teachings and provings. It could have profoundly affected courses of study and methods by making clear why he said our schools are "not common but most extraordinary," and "classical education puts out the eyes and stops up the ears."

It might have used his adventurous leadership as a lifelong teacher to recruit able young men into teaching.

It might have withheld two claims it circulated: that the

south could not have greatly improved its education without first increasing crops: and that the federal government was not legally just as free as the General Education Board was to make demonstrations where there was not yet any boll weevil. Neither claim is true. Federal funds were used outside the boll weevil area and equally poor states improved their schools as a means to, as well as a result of, improving crops. It is precisely when more tax money is lacking that more gray matter is needed,—a lesson that should not be forgotten in public gratitude for Rockefeller gifts to agriculture.

It seems ungracious, however historically accurate, to recall that in face of public criticism Rockefeller's reputation needed southern gratitude and general public warmth more than the south needed his money. That this was realized by Rockefeller agents is hinted by the extension to Maine and New Hampshire after the demonstration stage was passed, by the continuance in the south long after outside private funds were no longer needed, and by meeting congressional objection to continued help from Rockefeller with a first report which gave first place and 33% of its description plus 100% of its photographs to spectacular work on which it had spent 6% of its giving.

Club Work by Farm Boys and Girls

In 1926 the Board says that all it could hope to accomplish in stimulating boys' club and girls' club work for better farm methods had been done by 1914.

There is no more reason to believe this true of young folks' farm clubs than of endowment millions for colleges and medical schools or professors of secondary education for southern state universities. It was certainly no more true of southern boys and girls than of Maine and New Hampshire youngsters.

Unless the silent partner, the public, is to applaud action without understanding it, there is need for vastly more information about the giving that rich foundations abruptly stop without explanation. It is barely possible that a short inexpensive inquiry would show that the splendid demonstrations have been widely forgotten and that new methods are needed to extend this work to many needy sections.

"Water, water everywhere,
Nor any drop to drink."

With acute distress in our country's basic industry, agriculture, the Rockefeller board said in 1926:

"It may well be that we may locate in the present situation as respects agriculture some point or points at which we may once more make a valuable contribution."

This is less than an apology. It is like saying in China during a famine, "It may well be that we may find some way to help." Or like saying at a time of unemployment, "It may well be that we may find some point or points where we can do something about it." Or during the Mississippi's most devastating rampage, "It may well be that the Rockefeller Foundation with $180,000,000 may find some way to help." It is simply confessing that a board with $75,000,000 in hand hasn't spent $100 or 100 minutes in wondering where there is opportunity to help our country see straighter about agriculture. It states, however, that it has "undertaken to scrutinize the subject of agriculture and agricultural education in the hope of discovering some method of making a contribution to the solution of present-day problems in the field of practice and research."

Supposing it had let its publicity man whisper to the *Associated Press* that it hadn't yet found any way to be of help in the matter of agricultural education and would wel-

come suggestions from farmers, teachers, colleges or editors. How many wagons do you suppose it would have taken to carry the first week's mail bag of suggestions?

Here is our basic industry. The year before this report was written it earned from grains alone almost $2,000,000,000; from meat animals $2,600,000,000; and from all its crops over $12,000,000,000. It feeds us; it clothes us; it exports over $1,000,000,000 a year; it gives us successive chills and fevers in politics. Just think of the thousands of questions there are to be asked about this field!

The trouble with the Rockefeller organization is that it is looking for some way to give money instead of some way to help by working.

What could it do? It could make a contribution second to none it has ever made if it would report for the entire country, or for a section, or for cities, or for rural states like Wisconsin just the extent to which the new generation is being taught the basic truths about agriculture. Are children in farm districts being given the same information or lack of information about farm needs which our schools are giving to city children? What if anything does a Wisconsin or Texas child learn about the economic and political rights and needs of agriculture, which the factory children of Chicago and Philadelphia are not learning?

The country needs to know what the elementary schools and high schools, the normal schools for training teachers and the colleges and professional schools for training lawyers and doctors are doing to help pupils, students and home folks try to think intelligently about agriculture so as to avoid destructive political earthquakes growing out of ill-calculated legislation or iller-calculated failure to legislate.

CHAPTER 60

GIFTS FOR MEDICAL SCHOOLS QUESTIONED

FOR medical schools by June, 1927 the Rockefeller pledges totaled $62,000,000 and payments over $42,000,000. Of these totals around 2% had gone to schools for negroes, notwithstanding the specially urgent need for well trained negro physicians, surgeons and dentists. In fact most of these millions went to schools and localities well able to help themselves, excepting possibly Vanderbilt University, and only a negligible part to needy and strategic localities that could not easily have helped themselves.

Surely no one can seriously believe that the constituents of Harvard, Yale, Johns Hopkins or Washington University in St. Louis would have been helpless to provide the minimum standard of efficiency for medical instruction, if Rockefeller money had been used to skywrite that standard and experiment's progress rather than to endow those particular medical schools.

Had this fund built up medical colleges with weak clienteles, big, strong agencies would have been forced to "hustle" for best results. Harvard, Johns Hopkins, Yale, Washington will not long be without the very best that science knows. There are forty other localities in the country needing light which will remain without the best that science knows for years, perhaps generations, after Harvard and Yale and their like have modern clinics.

What of gifts to tax-supported medical schools? It may be that the rich state of Iowa needed $2,500,000 of Rockefeller money, that Cincinnati couldn't have found money or Colorado or Georgia, Oregon, Virginia or Minnesota. It may also be that every Rockefeller gift to state and city-supported medical colleges has paralyzed or reduced public

initiative, responsibility and independence. Who knows? Our country needs to know.

Many foremost educators and physicians insist that Rockefeller giving for medical schools has thus far helped the personal prestige of Rockefeller and his agents more than it has helped medical education. Many believe that the Rockefeller prohibition upon private practice by teachers of medicine will prove to be a backward step. Others insist that the dominance of one giver has prevented the local autonomy and free discussion that are necessary to wholesome growth and has destroyed the competition of medical ideas and practices which they say is worth more than money.

Experts Doubt

THESE doubts are not limited to uninformed cynics. The *Atlantic Monthly* in 1927 expressed the doubts of a specialist at Harvard's Rockefeller-aided medical school. At the 1926 national convention of the governing boards of state universities and allied institutions, a Michigan regent said:

> "This [foundation-prompted] full time [by medical faculties] has been a failure generally where it has been tried. . . . It is partially succeeding with us, but we do not just exactly know how much farther to go with it."

He may be wrong. "Full time" may be right. But education as to current results is needed to prevent most excellent ideas from failing and most wrong ideas from causing incalculable damage.

No machinery has been set up to test the soundness of the Rockefeller propaganda backed by millions. This propaganda started with the Carnegie Foundation, whose investigator the Rockefeller Board took over without providing any tests for his theories but the simple though unreliable

test of organized education's desire to swallow them if coated with endowment. Assuming—what many experts deny—that the theories were sound and fact-based, an efficiency engineer would have to admit the possibility that $57,000 spent circulating the truth and seeking new truth would have done more for medical education thant $57,000,000 in outright gifts.

In spite of this enormous giving medical authorities assert that obsolete courses persist in medical schools, vast fields of experiment are ignored, anti-social misuse by doctors of narcotic drugs continues, physicians and publics alike profess faith in remedies which do more harm than good.

Rockefeller invitations for constructive suggestions would elicit a flood of proposals for medical education which would bring about more improvement than endowing traditional courses and lock step management can possibly bring about.

CHAPTER 61

SMALL GIFTS FOR RESEARCH

IF Rockefeller had been following his General Education Board's work he would be astounded and disappointed that so little of its millions were spent on what he considered its chief mission, namely, to foster research. In his book he placed research far beyond college instruction in importance:

> "An individual institution of learning can have only a narrow sphere. It can reach only a limited number of people, but any new fact discovered, every widening of the boundaries of human knowledge by research becomes universally known to all institutions of learning and becomes a benefaction to the whole race."

Up to 1925 not 10% of the Board's gifts could be charged to research, even if we apply "research" to all the agri-

cultural work, the circulating museum and all costs of the experimental school, consolidated schools, teacherages, county units for managing schools, state studies of best school building plans, etc. and allow $6,000,000 for research out of money given to universities for general endowment and salary increases.

So little has gone to Rockefeller's main avowed interest that the word "research" was indexed but once up to 1927 and that once in 1915-16 for $5,500 voted to help New Hampshire's state department of public instruction establish a bureau of research.

Yet the need for more and better scientific research had not gone without advertisement. The Carnegie Foundation's head long ago publicly indicted our higher education's research as "sham,"—without concrete evidence it is true. The University of Wisconsin survey of 1914 showed two of a dozen "Ph. D." theses almost completely plagiarized and others of doubtful value and workmanship. Associated engineers found billions wasted in industry and showed how billions a year could be saved. Secretary of Commerce Hoover, Ex-Secretary of State Hughes, Ex-Commissioner Dawes and present Rockefeller Education Board Trustee Owen D. Young and Ex-Senator Root set out with a distinguished board to raise a $20,000,000 endowment fund for research in universities.

Unfortunately for Rockefeller the public cannot associate its awakened interest in university research and training for research with Rockefeller giving. It will be Hoover rather than Rockefeller who will go down to posterity as the leading inspirer of research. Yet Rockefeller was undoubtedly first in the field.

Unfair to Rockefeller

INSTEAD of seeking new truths or giving money to insure search for new truths, or subsidizing search for and knowl-

edge about best uses of old truths, the Rockefeller board poured millions upon millions into a kind of teaching that its own college specialist called the greatest waste on a large scale he knew. It never researched facilities and tests for research training by our universities, nor doctors' and masters' theses, nor the results of its own policy, nor the efficiency of its own methods nor the alternative opportunities which it rejected or passed by without recognizing them.

Cruelly unfair to Rockefeller and in spite of flaunting evidence, it neglected the one activity which he clearly grasped, and permitted him to find at the end of his life-rainbow, not the expected pot of satisfaction but dismaying stories like this in 1926:

UNITED STATES BEHIND EUROPE IN PURE RESEARCH WORK

Our Industrial Leadership Imperiled Scientists Say

Hoover, Hughes and Root Seek $20,000,000 Fund for Pure Research

Or like this later in 1926:

PH.D.'S NOT SCHOLARS PROF. MUNRO ASSERTS

American Historical Society to Inquire into Dollar Hunting with a Degree as Weapon

Graduate students in universities to-day hunt the dollar, which they can obtain more readily if they own a Ph.D. degree, rather than become scholars and producers of scholarship, Prof. Munro declared.

Theses of graduate students, it was stated, add nothing to the world's knowledge.

"Great numbers of graduate students are descending upon our universities and ruining our graduate work," Prof. Munro declared.

Unfortunately our science leaders, Rockefeller-taught, see no remedy but money. Vastly more than $20,000,000 is now invested in pure research by our graduate universities, but is being spent without the supervision which Rockefeller agents in Indiana have shown is better than more money without improved supervision. See later, Chapter 64.

After 1925, donations for research by the Rockefeller Board took the place of donations for endowment. As in the case of medical schools gifts went to the strong that needed competition more than Rockefeller's money. Giving $1,750,000 to Rochester University, for example, was just like giving $1,750,000 to George Eastman, the Kodak king, who without Rockefeller aid would see that Rochester University matched best academic research standards elsewhere.

In 1929 J. Paul Goode, a noted professor at Rockefeller's university, addressing doctors of philosophy at their annual luncheon on "the making of Ph.D.'s" declared that our graduate schools are not equipped to supervise research. Professor Charles M. A. Farnam of Yale, leader in the American Historical Association, broadcast his conviction that many graduate students were receiving degrees that should not be conferred, that standards were giving "no adequate training for leadership."

Instead of researches to help the country escape such conditions the Rockefeller's boards by 1929 had practically abdicated responsibility for deciding upon research gifts in favor of professorial committees possessing neither preparedness nor organization for discharging such a responsibility.

A few thousand dollars spent by Rockefeller's fund to test and publicly describe research would have accomplished vastly more than millions lavished upon untested and glass-housed university research. A new fact or two about the failure of schools and colleges to teach the romance and service of research would stimulate the research which

Rockefeller wanted to further more than money gifts to rich universities.

Atomizers for Conflagrations

For art applied to industry $61,000 had been appropriated and spent by 1926. The next year $356,000 was appropriated over a period. This trifling sum means lack of imagination and lack of study. The advice of Mrs. Harriman quoted later shows what many Rockefeller reports indicate that his trustees should frequently have said:

"You ask for $60,000. Your proposition looks to me more like $600,000. You go home and work out your budget for doing what you really have in mind and I shall be glad to see you again."

Dr. Abram Jacobi's oft repeated injunction not to try to put out a conflagration with an atomizer is recalled again by the Rockefeller method of "making a thorough study of the entire subject of forestry in our country and abroad." After reporting the "startling" reminder that we have cut down seven-eighths of our forest acreage and each year cut or destroy over four times as many feet of lumber as we restore, it voted $50,000!

To recognize the dire need for forestry study is surely efficient. To promise a "thorough" study of the "entire" subject for $50,000 was not efficient. To start a study without securing, and for the asking, the best thought of the world's foresters and specialists in lumber's uses, was superlatively inefficient.

Inevitably this Rockefeller board found itself unequipped to lead or inspire the country to constructive action when the Mississippi's rampage of 1927 surpassed all records of devastation. Although it had $70,000,000, every part of which it was free to use, its trustees met while distress was

at its worst and announced gifts to colleges, without a word about the Mississippi's raging appeal for forestry studies and reforestation, for farm demonstrations in rehabilitation and for public or professional education. Not having used imagination before the catastrophe the Rockefeller board naturally did not act with imagination respecting the catastrophe.

CHAPTER 62

THE PROOF OF THE PUDDING

BY 1922 the Rockefeller General Education Board had pledged $90,000,000 to nearly 300 colleges and universities and had refused, presumably after investigation, to give to about as many more. For nearly twenty years it had been questioning, studying, giving, refusing. Yet in 1922 its specialist on the business methods of American higher education wrote under the Rockefeller Board's auspices in a Rockefeller publication, after a personal examination of "several hundred" colleges and universities:

"Endowed colleges and universities have not generally developed sound accounting systems; relatively few colleges are operated on the budget system; complete balance sheets are rare; accounting methods are often poorly adapted to academic uses; the rule that students should be required to pay fees within the first few days of the quarter, or to make satisfactory arrangements for the payments announced by most colleges, is more honored in the breach than in the observance; having no proper methods of accounting, trustees are not infrequently surprised to find their institutions in serious financial difficulties."

By 1923 the Rockefeller board had pledged $95,000,000 to colleges and universities. That year its secretary wrote this withering criticism of our higher education:

"Never before has a greater aggregate of energy been aimlessly discharged.

"The college student is strikingly devoid of general educational interest and background.

"Present procedure saves a few weaklings at the expense of all the able who are thereby enervated.

"Almost everything [is done] that mere arrangement can do to make scholarship unattractive and improbable."

What Rockefeller money might have been accomplishing for education between the founding of his General Education Board and his eighty-eighth birthday in 1927 is hinted at further by the opinions expressed of higher education in 1926 by Rev. Wallace Buttrick, the president of the board. Of his mind, five members of the General Education Board said in a message to his widow upon his death, May 28, 1926:

"It showed such balanced wisdom, statesmanship in all that pertains to the country's education and progress, courage and broad human sympathy" that it gave him "a foremost place among the leaders of this generation."

The board of the Carnegie Corporation at the same time said:

"The work of Dr. Buttrick in the upbuilding of education in the United States, and in particular his wise and sympathetic aid to the cause of education throughout the southern states is a part of the records of educational achievement of the last quarter century for which his countrymen owe a debt of gratitude to this modest, patient and farseeing man."

During this period Dr. Buttrick was the executive chiefly responsible for college pledges of over $100,000,000 of which $67,000,000 had been paid by June, 1925. In addition, no one knows how many times as much was raised because of Rockefeller conditional offers and Rockefeller example.

The educational ideals and methods of the period had thus been not only subsidized but entrenched. Yet after all

these years, in February, 1926, Dr. Buttrick expressed opinions which undoubtedly were not overnight opinions, but were the opinions he had held while giving away scores of millions:

He hoped he would "live long enough to see the sort of textbooks and examinations that have prevailed so long in our American universities utterly abandoned."

He was sure they induced students to cram.

He was sure that college education in this country was inferior to that of Europe, chiefly because European students were taught to help themselves, while the instinct of self-help and creativeness is paralyzed here.

He believed it a great mistake that colleges did not give their first year students the best instruction.

He called the tendency toward vocational training, which is being most strongly urged by one or two of the college presidents who have gotten largest gifts from his board, "all bosh."

In expressing his personal feelings that same Rockefeller executive for twenty-three years said after retiring:

"A college is not grounds and buildings and libraries and apparatus and teachers but a homogeneous body of students with whom and not for whom teachers should work."

When deciding upon Rockefeller gifts it was about grounds and buildings, libraries, apparatus and money that his board sought information.

In no other kind of business except philanthropy and gifts to education is it considered highly efficient and an inestimable service to mankind to spend money by the tens of millions upon processes believed to produce inferior results.

If Rockefeller giving to education, including gifts for investigating and publishing, had been one-tenth as efficient as is commonly asserted, the quoted strictures could not have been true to facts in the twenty-first, twenty-second

and twenty-fifth years of Rockefeller operation. If the criticisms are unfair, Rockefeller giving can hardly have been as efficient as was easily possible.

Possible Alternatives

THE gifts have been made. The water has passed over the dam. It is a thankless, however serviceable, task to wonder what would have happened to education if Rockefeller's advisers had used his fund to learn the truth about the education respecting which, after twenty-five years of unexampled giving to higher education, the Rockefeller leader could express only opinions and condemnatory opinions at that.

Supposing research had been financed and that comprehensive studies had been made to prove from actual experience whether the trend to vocational instruction is all bosh, whether American college men are inferior, whether college methods destroy initiative.

Supposing a board, believing that the ablest instructors should be given to the youngest and beginning students, had set aside its money or part of it for that purpose and had watched the results.

Suppose that it had said it would pledge no money to any institution until that institution had, for at least two years, proved by published statements and records that it was studying its own problems, was not neglecting its freshmen, was reporting its achievements and its needs to its own constituency, and was writing its catalogs so that they would be intelligible to its constituency.

These suppositions are not idle, because the water that passed over the dam is but a drop in the bucket to the water that is coming over the dam in the next generation and the next toward which Rockefeller has given endowments.

By everything that is known of Rockefeller, he would

rather have this issue faced frankly and dealt with publicly while he is living and while he can be sure that the principles of intelligent and efficient business are being applied to his great educational endowments.

Certain it is that the public which has doubled or quadrupled the Rockefeller gifts to colleges, and other donors and taxpayers who gave many times as much, never dreamed that Rockefeller's specialists in higher education thought so poorly of college spirit and product. Had it known it would have insisted that pouring millions into an egregiously wasteful system was a very inefficient procedure compared with learning by scientific tests where the system could be bettered.

That it must abandon its policy, the Rockefeller board asserted in 1926. It gave no evidence whatever except the millions it has voted, that it would not have been better for higher education if Rockefeller money had stopped playing "angel" three or five or fifteen years earlier.

Rockefeller Isolation

A FURTHER proof of the pudding was the isolation of the Rockefeller education board among givers. Would-be beneficiaries swarmed to it, big givers left it severely alone. Rockefeller was led to believe that tens, perhaps hundreds, would come to his nestegg, not only for information but for company and hatching. In 1907 the board's head prophesied that $250,000,000 would come from others for Rockefeller's agents to distribute. In over twenty years just one small fund of $200,000 was given to it for administration. Different leadership would have brought $200,000,000 in a generation of public giving beyond all previous imagination. The organization was there, the theory was there, the eager desire was there, but the money never came because the true spirit of coöperation in planning, deciding and sharing credit

was not in Rockefeller agents and their methods as it was in Rockefeller.

CHAPTER 63

THE MYTH OF THOROUGH STUDIES

IT is believed quite generally that beginning with 1902 the Rockefeller educational board scientifically studied the country's educational needs. Editors are fond of saying that like German pre-war generals the Rockefeller officers had every important fact about education scientifically card-indexed.

That is a myth. Every published report but one has proved it a myth; the near-exception, the salary study of 1920 and its sequel of 1928, might easily have been far more useful. Investigators for the industrial relations commission in 1915 found its files more like Old Mother Hubbard's cupboard than a modern reference file. By no accepted standard can its early studies of education and taxpaying ability in the south be called "thorough and full." The board's library was not open to the public and never pretended to up-to-dateness or completeness in the board's special fields. From 1902 to July 1928 only $25,000 was appropriated *and only $178,292 given or spent* for surveying colleges and universities—of $174,000,000 appropriated and $129,500,000 spent.

No one would be more surprised, probably, than Rockefeller himself or those trustees who were not in any way his subordinates, if they had had the kind of independent audit made of Rockefeller educational studies which Professor W. Z. Ripley of Harvard contends should be made of corporation balance sheets. Never until there is such outside auditing and untrammeled free speech about its studies will a Rockefeller board or any other foundation approximate its own best thoroughness.

"Disparagement Not Criticism"

DIRECTED to report upon the educational studies of the New York Bureau of Municipal Research the Rockefeller surveyor of 1913, Abraham Flexner, did not start with the record of work already done, under way and planned. He did not ask for correspondence or evidence. He did not write to employing governors, mayors, school boards or educators. For days a six foot table was piled high with records he refused to examine.

At first he had no intention of seeing the two state wide surveys in Ohio and Wisconsin which were then going on and which he intended to disparage. "But, Dr. Flexner," he was told, "you can't possibly hope to learn about our work by talking with one man when the work concerns thousands of schools, a dozen normal schools and conditions in several states."

When finally he was shamed into going he did not ask or consent to see the work itself,—either plan, method or result. All he wanted was to talk with, and mostly to, the survey directors whom he later libelled, according to their trustees, one of whom was his trustee also. In Wisconsin, for example, he told the director of the normal school survey that no good could come from investigating Wisconsin's eight normal schools "unless one had money enough to visit first the normal schools abroad and all this country's normal schools."

"What philosophical perspective," he asked me, "do you require your men in the field to have, in order to make sure of their pedagogical objective?" This was the first step in his survey.

"Dr. Flexner, I'll fire any man in our organization who tries to answer that question."

"Why so emphatic?"

"Because any man who goes around with the answer to such questions in his head can't see what we want him to see in a schoolroom."

"What's that?"

"Children, teachers, needs."

The director of the Ohio rural school survey, trained by G. Stanley Hall and an experienced school superintendent, was so astounded at the Rockefeller investigator's unwillingness to examine the working papers which alone could show the plan, method and result, that he said he would never have known from the surveyor that his work was being investigated.

Nor is this the only case of such Rockefeller investigating. Its name is legion. One great service after another, one potential world-wide educational reform after another, one idea after another worth more if sound than all Rockefeller's millions, has been similarly mis-studied. Names are not given here because the promoters tell their stories confidentially for fear of injury if not reprisal. They are no secret in the educational field.

The result is inherent in the attitude. The General Education Board has never in twenty-five years, partially excepting again its college salary study, given evidence of the kind of thoroughness and fullness which is considered thorough and full by people without millions of dollars to give or withhold. It dispensed conclusions rather than facts from which conclusions logically flow in others' minds as well as its own.

That is one reason why educational leadership has never been conceded to Rockefeller's educational board.

The Near-Exception in Thoroughness

FEARING a progressive stampede of able young people away from teaching and of ablest teachers out of teaching,

Rockefeller himself wrote to his General Education Board just before Christmas 1919 that he wanted to give $50,000,000 toward "providing more adequate salaries to members of the teaching profession." He expressed the hope that his board would *promptly spend the principal as well as the income* in "coöperating with the higher institutions of learning in raising sums specifically devoted to the increase of teachers' salaries."

At once his board *set about preparing itself* to make "intelligent" use of his gift. Instead of being prepared to start at once it took four months getting started and instead of getting facts for December 1919, it waited for the facts of April 1920.

Four months of getting ready would not have been excessive if $50,000,000 had been given to an unorganized group, but when the Rockefeller board received that generous offer its office and payroll expense budget was $167,000. Supposedly it had an experienced staff of investigators and superior research directors; it could hire more and the best. It should have been able to start in four days what it took four months to start.

It sent its two questionnaires to 260 colleges which it "supposed" were eligible for aid. It never explained what made a college eligible or why 184 other private colleges and universities not receiving questions, including over a score which it had helped, were "supposed" to be ineligible, or why in its nineteenth year it was supposing what might have been definitely known.

Its final report of forty-two pages contained a vast amount of valuable information classified in expert style, yet the report was un-thorough and un-full in respects like the eighteen listed in 18 Opportunities Lost, Part VII.

This Rockefeller study, to which no limit of thoroughness was set by money or time, missed a strategic opportunity to get our whole country thinking clear to the bottom of the

question *of adequate compensation for all teaching* and *adequate teacher recruiting into all schools, including public schools.* It missed that opportunity for want of free speech on the part of the colleges and of invitation by the Rockefeller board for suggestions from the public.

While expressing gratitude for the valuable facts gathered by the Rockefeller board, it is conservative to say that the few suggested changes would without gifts of money have helped and inspired the colleges of the country *including publicly supported colleges and training schools for teachers* to raise many times the $50,000,000 given by Rockefeller toward increasing teachers' salaries. Instead it left thousands of college teachers worse off than in 1914, with a generous public misled into believing their salaries had been adjusted to education's after-war needs.

Adding insult to injury it announced in 1928, nearly nine years after Rockefeller's munificent offer, that it had been unable to find any salary emergency in all our colleges for one-fourth the gift! Therefore it merged $11,578,000 given for higher college salaries in its general fund. Yet that same year it reported for 302 institutions that teachers had "a slightly better financial position" than in 1914-1915 when their financial position was a notorious menace to education.

Rockefeller Bookkeeping for Colleges

THE dismal Rockefeller characterization of college financing that began this chapter is in *College and University Finance,* a 212 page book by a long-time officer of the General Education Board—its finance expert and at the time the book was issued a trustee and later its president, Dr. Trevor Arnett.

The work took six years following fourteen years of contact by the Board with every college in the land—excepting

only a handful, like Colgate, which announced that it could not accept what it considered tainted money, and like a few other colleges, including many Catholic schools, self-disqualified for teaching sectarian views. When the study was first promised in 1916, about $16,000,000 had already been voted to colleges. Unlimited funds were available for the study, income was not being spent and principal was available.

No one familiar with Rockefeller's method of getting business results can believe that he would have waited fourteen years before deciding to make this helpful study, or that after having announced his intention to make it, he would have taken or allowed his business office to take six years to get into available book form what that office was supposed to have at its fingers' tips as the basis of granting or rejecting petitions for funds by the tens of millions of dollars.

Had Rockefeller, champion fortune builder, been getting out such a manual for five hundred branch offices it is doubtful if he would have allowed his experts six months or even six weeks! It is certain he would not have allowed the final output to misrepresent his standards of business efficiency in so many ways as does his education board's manual for financing colleges. See analysis in 13, Part VII.

This Rockefeller handbook is so helpful in so many ways that it is a great loss to education that it was not offered for coöperative question and criticism in time to double or treble its value. Its author was able as are few accountants. His personal attitude welcomes frankness. A question in time would have saved nine.

CHAPTER 64

GIFTS FOR PUBLIC EDUCATION

SEVERAL kinds of money aid were given by this Rockefeller fund to promote public education, most of it in the south. Rural school teachers, white and colored, have been visited helpfully by state officers whose salaries and expenses were paid by the Rockefeller board. Every southern state university's chief professor or secondary education was until 1925 on the Rockefeller payroll to foster high schools.

Public school systems have been surveyed at Rockefeller cost for Rockefeller surveyors' salaries, but at the invitation of state commissions in Maryland, North Carolina, Kentucky, Indiana and Florida.

Two states in the south are working out methods of giving every school board the best expert help in planning and erecting new schoolhouses.

Three states are installing central information services for the use of the entire states.

An experimental school has been maintained out of Rockefeller funds but in the name of Teachers College of Columbia University in the hope of demonstrating facts about education which will be universally helpful to public education.

Indiana has been experimenting at Rockefeller expense with the county as the unit for school administration. From a school journal rather than from an official account of stewardship appeared the following illustration of the kind of evidence the world has a right to expect respecting the results of all big giving:

"*Does Rural School Supervision Pay?* Yes. Enormous dividends are indicated by a two-year demonstration made in Indiana under the auspices of the General Education Board and reported

in a recent bulletin of the state department of that state. Among the conclusions are these: $14,021 spent for supervision the first year gave service equivalent to an expenditure of $38,559 for additional instruction; $14,021 spent for supervision the second year was equivalent to adding 41.1 days to the school year or gave an increased teaching efficiency equal to $71,636. In other words, 160 days with supervision accomplishes as much as 182 days without supervision for the first year and as much as 201 days without supervision for the second year. Supervision is obviously an effective and economical way of improving rural school work."

To study and promote public education below universities there had been voted by 1926 during twenty-three years a total of about $6,300,000, or under 4% of the Rockefeller board's total. So far as the other $178,000,000 had been efficiently spent, it had, of course indirectly helped public education also.

The private subsidizing of high school promoters in southern state universities has stopped so far as Rockefeller funds are concerned. In 1925 the board reported that "some" southern states could also do without its state agents for white schools, would soon be able to tax themselves their share of $89,000 a year. What southern state, even the poorest, having been helped by Rockefeller twenty years, could not in 1925 have raised the few thousand dollars equivalent to Rockefeller's yearly gift? To appreciate that query the amount received by each state is needed, but is not published.

If the Rockefeller report had listed each year the amount of money given to each southern state, instead of concealing it in a total for all southern states, the chances are that most of the states would long ago have asked to be omitted from that particular honor roll. Unaided poorer states elsewhere have shown school progress equal to or surpassing that of aided southern states. Northern states even harder up than several of the southern states have somehow found

the money to progress without gifts from Rockefeller. No southern state will contentedly stay at the bottom of any list or near the minimum of reputability if the facts are published about her standing.

It is doubtful if there has been a year since its first report in 1915 or in fact since its unpublished studies of 1902, when educational publicity about conditions in any southern state would not have helped more than Rockefeller subsidies —without the publicity—helped. There is not one of those states that has not been wasting far more than Rockefeller's gifts to it. His gifts have acted as narcotics as well as stimulants. Go anywhere in the south to-day and the first thought, the second thought and the third thought about how to get money for removing illiteracy, for carrying on adult education, for supporting public research, for training teachers and discovering leaders is not how can the truth be gotten before the taxpayers of our state, but how can Rockefeller be gotten to prime the pump?

System Not Personality Questioned

As elsewhere in this book, it is the impersonal system and the impersonal result, rather than the personal motive, of Rockefeller giving that is questioned.

The Rockefeller leadership has been vastly less productive and vastly less democratic than it might easily have been.

"From your experience of several years," a Rockefeller supervisor of rural schools was asked, "what would you show a visiting school board which asked you where it could see at work the most up-to-date rural school?" He shrugged his shoulders and said he had never attempted to collect or keep such information. Neither the Rockefeller board which paid him his salary nor the state officers who in theory had the power to supervise him, had in fifteen years developed

a simple procedure for making sure they were helping southern education in proportion to the opportunity.

When the Rockefeller board stopped paying southern states for professors of secondary education in 1925, it did not precede this action with educational publicity showing what had been accomplished by Rockefeller help and what annual expenditures each state's taxpayers must now assume. Without a word of proof that the plan was right at the beginning or at any time after the first two or five years, the bare announcement was made in 1925: "The work in the promotion of secondary education came to an end by agreement, June 30, 1925."

Rainbow Promises of Progress

RAINBOW promises of progress in education are promises that come after progress has already turned experiment into demonstration, as rainbows in the sky seal rain's dismissal and fair weather's right of way. That is the kind of promise which the Rockefeller board made in January and May 1917 when it established an experimental school to test its prophecy that the "school of to-morrow will give high school diplomas without ancient languages, algebra and geometry . . . would teach less formal grammar . . . study the industries growing out of fundamental needs like food, clothing and shelter . . . and the occupations and apparatus involved in transportation and communication . . . discipline the mind of the pupil by energizing it through the doing of real tasks . . . make science and the domestic arts prominent . . . advance each pupil according to his capacities . . . teach music through pupils' listening to good music and recognizing masterpieces, etc."

The experimental school became the Lincoln School conducted by Teachers College of Columbia University. Up to July 1, 1928 it had been pledged $5,924,000. It has an en-

viable reputation due partly to helpful descriptions of work done by its pupils, partly to the prestige of Teachers College, and partly to the assumption that an experimental school with unlimited Rockefeller support must of course be the country's leader in educational experiments.

Gratitude for services already enjoyed and yet to come from the Lincoln School should not blind public education to the fact that the to-morrow which the Rockefeller education board prophesied in 1917 as the reason for this school had already arrived in American education. Not all of it was universal, but some of it was almost universal and most of it was extensive. For example, 14,257 schools representing one tenth of the country's pupils reported to a committee of inquiring educators that they had already reduced home work to a minimum; 14,101 of them were giving high school diplomas without requiring ancient languages; 9,394 were making domestic arts prominent; 13,924 were having pupils do real tasks, from making repairs to building homes under private contract.

The rainbow prophecy was not preceded by comparative study. Its characterizations of public schools showed that the Rockefeller critic was either not fair to or not informed respecting recent progress in school work. It was not true that in 1917 public schools throughout the country were so "traditional" and "motiveless" in purpose and practice, or so incapable of conducting important experiments, that a hothouse experiment with already accepted ideas—in a small badly located school building deprived of play space and light in the heart of the world's wealthiest residential district —was indispensable.

Opie Read Helps Understand

A competing plan which the Rockefeller board might have considered was described at the time as follows in the ex-

tensively illustrated *Rainbow Promises of Progress in Education,* which the Institute for Public Service, with co-operators from public and private schools, issued to show how very much of the Rockefeller to-morrow was already to-day in public schools.

"The money that will be spent on this hothouse experiment, with a handful of children, in an unnatural environment and with inadequate facilities would pay the salaries and expenses of enough competent field investigators to observe the best teaching of every subject in the United States, with money left over for telling the wonderful story of this best teaching.

"Another consideration is of fundamental importance, namely: by starting a small experiment instead of describing a large number of small or large experiments, the foundation will put itself in the position where its great resources may quickly become reactionary; it will build around itself a glass house, and is no longer free, or at least will not feel free and will lack the motive, to criticize and describe impartially the experiments of others.

"An extreme analogy to the General Education Board's criticism, specific and implied, of schools as they are, is furnished by one of Opie Read's stories about early journalism in Colorado: After a bitter altercation with Jim Simmons of Leadville over a trifling matter such as usually gives editors of mushroom towns so much concern, Opie Read wrote this editorial squib: 'When Jim Simmons first went to Leadville he was honest, industrious and poor. He is still poor.'

"After reading this comment Jim Simmons might have consoled himself with the thought that there was no provable intent to insinuate that he was not still honest and industrious. What Jim Simmons actually did was to go to Denver with blood in his eye, vengeance in his soul, and revolvers in his belt.

"Similarly after reading the General Education Board's reasons for a new experimental school American educators might have consoled themselves with the thought that in prophesying what the school of to-morrow will do, the General Education Board did not assert that any particular school of to-day is not doing any or all of these specific things, and did actually admit that 'a certain amount of readjustment has indeed taken place.' It did not say Jim Simmons educators are no longer honest and in-

dustrious; through charge and prophecy it merely said they are still poor."

A Suppressed Report

In 1917 the City of New York was in the throes of an election campaign. One burning issue was the so-called "Gary work-study-play plan." Seldom had public feeling run so high. Mass meetings held for debates usually ended in ill temper. In many localities feeling was near the riot point. Parents who should have been enlightened were frightened, confused and maddened.

At this time the Rockefeller board had finished an extensive and costly study of the Gary plan at work in Gary, the Indiana city from which New York had borrowed it. It was New York's predicament that prompted the Rockefeller study. Effort was made by New Yorkers to bring the study's chief findings into the open. Not a word was uttered in time to help a city with a million voters even try to think straight about a great educational subject regarding which it was being given such partisan information by both sides that it could not help thinking crookedly. The evil effects and tremendous costs of that miscampaigning continue to 1929.

As later publicity showed, this Rockefeller information was on hand in ample time to be of tremendous help to the city government of New York, its board of education and its voters. The help was withheld not in the interest of science or education but in the interest of a political situation which no one had done more to bring about than Rockefeller agents, one the General Education Board's secretary and the other from the Rockefeller Foundation and Rockefeller's private office, both egged on by the then executive of the $100,000,000 Rockefeller Foundation.

Rockefeller Electioneering

THESE two Rockefeller agents were on the New York board of education. Politically speaking they were the board of education. At the last board election preceding the moral breakdown of the "Gary experiment" they had successfully electioneered on the board against a president who had been unanimously reëlected the year before by a board of forty-six. They buttonholed members on the floor of the board, à la Rockefeller raising his church mortgage when a young business man.

The Rockefeller board's secretary had gone further. He drafted and circulated a petition against the school board president for signature by the president of his Rockefeller board, the president of the Carnegie Foundation board and other prominent men who had nothing to do with the local schools and knew less. The Carnegie president later made a point of the fact that he had signed as a citizen, not as a foundation head. The Rockefeller president did not take that precaution, but signed as president of the General Education Board.

Suffice it to say, with other Rockefeller money and agents, this militant leadership without adequate, if any, investigation made "the Rockefellers" a political issue when they might easily have been impartial factfinders and organizers of fact-finding conferences.

Outside effort was made to enlist them as factfinders, and especially as fact-reporters. The cost of their refusal to New York and education everywhere requires a huge debit entry against the many credit entries for Rockefeller giving.

Incidentally their method of helping a political group was a boomerang. Even if publishing their survey findings would have weakened their own political army, a presumably non-political agency was honor bound to throw its light. Its

delayed findings proved that the "work-study-play plan" of school training was *more efficient or less inefficient than conventional plans according to its management.* That is precisely what New York's muddle needed to have conceded by the "Garyites." It would have been conceded had the Rockefeller influence been for factfinding fair discussion instead of for "rule or ruin" regardless of public confusion.

Playing the extreme partisan rôle, Rockefeller agents naturally tarred Rockefeller giving with the "slush fund" brush and the ill repute of a stolen primary, bribed negro preachers, a faked uprising of the city's ministry financed by the slush fund, lying advertisements and wholesale miscampaigning for a school program that needed only the truth.

Did Rockefeller himself engineer his agents' part? On the contrary it is doubtful if he knew they were using his prestige and money power in a way he never openly used it in all his life. His innocence or ignorance does not, however, change his influence nor the responsibility of his trustees for the public conduct of agents whose only political potency lay in their being Rockefeller agents.

CHAPTER 65

TEACHER TRAINING NEGLECTED

"*EVERYWHERE in education the teacher is the key,*" said the Rockefeller board in its 1922 report. For over twenty-five years it had had power to spend any part of its income, and for nearly twenty years any part of its principal, to build, improve, enlarge or equip schools for training teachers. It had been free to collect and distribute facts about best teacher training and to ask almost every college in the country what it was doing to equip and inspire ablest students to teach. It might have raised far more money for

education than it gave away if it had told the important stories of teacher shortage, inadequate training, inadequate salaries, inadequate recruiting, wasteful and injurious acceptance of time spent in colleges as of itself preparation for teaching. No such note was ever struck by the Rockefeller board.

What it actually did with the key to its mission is aptly told by Peabody College for Teachers, one of only two teacher training schools which it helped in a large way:

Investing in Creative Youth

MONEY is poured out unstintedly on the three per cent of youth in the colleges and universities. Huge buildings rear their cornices and spires; enormous endowments grease the wheels of college education. Three per cent of youth goes forth, triumphant and works primarily for its own prosperity, its own business, its own profession.

But what goes back to youth?

For want of training, a teacher was lost; for want of a teacher, a school was lost; for want of a school, a community was lost! What a tragedy to recite! And in all parts of this broad land it comes poignantly close to home.

Nor is the Rockefeller board's large giving to colleges a proof of help for teacher training. General colleges furnish many teachers especially for high schools. But if college teaching is as poor as Rockefeller agents claim and if teachers teach as they are taught, as experts claim, then mere giving to colleges was not the best way to further teacher training or teacher recruiting.

In its latest summary of $174,000,000 appropriated from 1902 to 1928 only $969,000 is marked for training teachers and all of that was for negroes.

Further study, however, indicates that of $152,600,000 voted for whites probably the greater part of $2,000,000 or 1.3% may be charged to teacher training, i.e. to *making the key to education,* or rather trying to refit it after it is made

because more than half is for helping southern teachers at work. In addition two teachers' colleges, Peabody and Columbia University's, were helped with larger gifts. Three state universities have been given a total of $375,000. Including small gifts for negro teacher training, less than one twelfth as much was voted in 26 years to train the key to education as for medical schools.

There is nothing to indicate that the board ever discovered the main needs of teacher training. If it has seen prevalent defects of training it never disclosed them. In the critical year 1920-1922, it comfortingly said there was an "annual net increase in the number of satisfactorily trained teachers" when Democracy needed the truth that both the number and the proportion of satisfactorily trained teachers were extravagantly small.

In 1916 it announced a study of "developing teacher training courses in rural high schools." Not a word indicated that such training had been under way a long while in many places and even at Rockefeller's second boyhood home. It allowed *four years and $2,100* for studying this question upon which it said depended "the improvement of rural schools."

Pilfering Credit

It appropriated $25,000 in 1915-1916 to study teacher manses. At the time there were hundreds of these manses in states in all sections. Its report said "some steps" had already been taken. Its newspaper publicity gave the impression that it was starting something new. Newspapers extolled its "pathfinding for teacherages." One syndicated story sponsored by a trustee and another agent said the teacherage it started was "the only one of its kind." For a few hundred dollars it could have gathered a story of several hundred manses already in service which would have helped recruit able rural teachers everywhere and led many small towns

and cities to insure suitable homes for teachers. That $25,000 was never heard from again.

For teacher recruiting in 1921 the following letter was sent to one of this Rockefeller fund's trustees:

"Won't you as a trustee of the General Education Board consider moving that Board to make an appeal to college presidents to interest their students, especially men students, in the country's need for able men in teaching?

"If even fifty college presidents would help their communities think differently about teaching this June, wouldn't there be a turn in the current which would be of immeasurable value?"

The Rockefeller trustee answered:

"I have talked with our chairman about your letter. He quite agrees that it is of the utmost importance to bring the career of teaching to the attention of college students. He will talk this over with members of his staff and consider how the General Education Board may be of service. *He is inclined to think that the best way would be to emphasize the importance of recruiting teachers in all conversations which officers and representatives of the Board hold with college officials. He hesitates to undertake any campaign in letters or otherwise, which might be interpreted as an attempt to influence college administrators even in so good a cause as this to which you call attention.*"

This same chairman did not hesitate later to condemn college education or to accept a dedication to himself of the scathing strictures by the Board's secretary upon American colleges quoted above.

"Lodge Spirit" Among Foundations

THE $50,000,000 given by Rockefeller especially to increase college teachers' salaries might have done splendid teacher recruiting. It unquestionably helped weaken derecruiting by colleges. It affected the reputation of teaching vastly less than it might have affected it because the money

was given to colleges without their guarantying to set the standard of pay high enough. The majority of Rockefeller-aided colleges are still "sweating" their faculties while undercharging students, as the Board's figures of 1928 prove. Whereas the Rockefeller service might have led in correcting both abuses it resulted in condoning both.

Another explanation of Rockefeller inattention to teacher recruiting is that the Carnegie Foundation had studied teacher training in two states and had issued a "model" course of study for normal schools for teachers. To education's misfortune each great foundation "shinnies on its own side."

Few services the Rockefeller fund rendered can compare with the service it might have rendered by analyzing independently and with pitiless publicity the after-war course of study proposed by the Carnegie Foundation for training teachers. It was silent out of a courtesy which remembers that "turn about is fair play." In the same spirit and for analogous reasons it was silent about notorious abuses of opportunity and obligation in the orthodox training of teachers.

"Credit" Fetish Fostered

MANY a natural born teacher is being denaturized by the current shibboleth "get more credits." The stampede for summer schools is as wild and unreasoned as a stampede for gold mines. Tens of thousands of teachers take courses they don't want and can't use just to get passing marks or credits. Teachers don't protest. Boards of education don't know the fatuity of the master's degree or the bachelor's degree or the doctor's degree of which school men speak with bated breath. But the Rockefeller board ought to have known. It had strength and freedom to get the truth, prove it and circulate it. For want of such action by strong leaders, present conditions are derecruiting ablest young men and women

from teaching more than money gifts can ever recruit them into teaching.

It was no money-logged Rockefeller board but a Columbia University professor traveling without subsidy who reported in October 1926 that our country, in spite of all our money liberality,

"pays far less attention to the selection and training of teachers than does any other large nation; has far less adequately prepared high school teachers; would have to close at least half her classrooms if she put into effect Japan's standards."

Immunity to Criticism

The Country School of To-morrow is a 13-page pamphlet by Dr. Gates as chairman of the General Education Board and issued by that board. The original date was 1916, reissued with a 1924 date as if new. In the first two years over 21,000 copies were distributed free. The Rockefeller board then included, besides several paid employees, Andrew Carnegie, Walter H. Page then editor of *World's Work,* Albert Shaw, editor of *Review of Reviews,* President Alderman of the University of Virginia, President Frissell of the Hampton Institute, Ex-President Eliot of Harvard, Secretary Anson Phelps Stokes of Yale and President George E. Vincent of the University of Minnesota.

The paper signed by Frederick T. Gates as chairman was therefore as authoritative as any document could be. It is cited here solely as an illustration of Rockefeller immunity to criticism. Had the identical pamphlet been signed by the most distinguished educator in the country not identified with a big private foundation many of its statements would have been promptly and shatteringly challenged.

Farm demonstrations in the south are referred to as if they had originated with the Rockefeller board and had been exclusively supported with Rockefeller money. As shown above, $1,900,000 had been paid for that work by the United

States government; $1,000,000 by various private citizens; and $930,000 or less than 24% by the Rockefeller board.

When this paper originally spoke of those demonstrations in the present tense, there had been no General Education Board demonstrations for two years.

When it said "our canning clubs are showing profits of from $100 to $250 per acre for the girls of the family" and "our corn clubs are demonstrating throughout the south that from two to five times the present annual yield per acre may be won from the soil," it was supporting no corn or canning clubs. In 1924 the present tenses were ten years too late.

To the following picture of country schools there were literally thousands of brilliant exceptions at the time the picture was issued:

> "Our schools resemble in their method and discipline institutions of penal servitude. They are places of enforced confinement, accompanied by physical and mental torture during six hours of the day. They are strait jackets called education which thwart and stifle the physical and mental activities of the child. We pen children in a room, chain them to a bench and brand the three r's upon them."

Literature and a library of its own for each country locality are pictured as part of a dream, yet even in 1916 it was a common thing for states not only to send out traveling libraries but to duplicate local funds for school libraries, while in 1924 the practice was commonplace.

In this Rockefeller picture the health problems of the future were to be solved without health officers or governmental attention to health conditions. Health experts from colleges were to lecture and demonstrate and be in constant correspondence with country localities. Such a picture from any other source of prestige would have been promptly criticized for leaving out the only agency that can safely

be counted upon to remedy health conditions, i.e., official sanitary agents.

Of higher education, to which the Rockefeller board had then pledged $13,000,000, the pamphlet says:

"The college finds its ends in the sheepskin and the cap and gown. . . . Their learning, their doctor's degrees, their academic gowns, find their end in livelihood, in personal distinction, in social advancement and not in the enrichment and uplift of the common life."

If that was the true condition after fourteen years of activity by the Rockefeller board and as late as 1924 when over $74,000,000 had been pledged, some questioner would have asked of any author not exempt from criticism: "How could such conditions have survived without the Rockefeller board's finding some way to locate exceptions and to spend its money upon other ideals?"

Conditions in 1916, when states everywhere were starting university extension work, did not merit the charge that the educational system "as now run is accurately adjusted to take out of the homes of the people a few of the choicer youths, to civilize these and to carry them to the top, there to group and cohere as social cream."

Practically without a word of criticism from any other source but labor unions, this great Rockefeller fund, possessing at the time $31,000,000 and recently joined by a sister fund having over $100,000,000, published in 1916 the following remedy for distressing rural conditions. The italics are ours:

"In our dream, we have limitless resources, and *the people yield themselves with perfect docility to our molding hand.* The present educational conventions fade from our minds; and, unhampered by tradition, *we work our own good will upon a grateful and responsive rural folk. We shall not try to make these people or any of their children into philosophers or men of learn-*

ing or of science. We are not to raise up from among them authors, orators, poets, or men of letters. We shall not search for embryo great artists, painters, musicians. Nor will we cherish even the humbler ambition to raise up from among them lawyers, doctors, preachers, politicians, statesmen, of whom we now have ample supply. Putting, therefore, all high things quite behind us, we turn with a sense of freedom and delight to the simple, lowly needful things that promise well for rural life. For the task that we set before ourselves is a very simple as well as a very beautiful one: *to train these people as we find them for a perfectly ideal life just where they are."*

The concluding paragraph of this Rockefeller dream forecasts a time when

"our more ancient seats of learning . . . [will] reign over empires now undreamed, inherit a kingdom that has awaited them from the foundation of the world, write the laws of obedient states and know the love of a reverent, grateful and generous people and

> "Scatter plenty o'er a smiling land
> And read their history in a nation's eyes."

Had a half dozen readers from the ancient seats of learning or a half dozen editorial leaders in our country written what they couldn't help think when they read such widely broadcast Rockefeller statements as these, the later career of Rockefeller giving would have been materially changed. The American people know that the countryside has furnished and will continue to furnish ablest lawyers, business men including Rockefeller, educators, scientists, doctors, preachers and statesmen. We know it would be unfair not only to countryside youth of exceptional and specialized ability, but to countryside youth of moderate ability and to countryside adults—and most unfair to our country's destiny—to limit farm children to farm futures.

It was known in 1916 as almost axiomatic, at least it has

since been emphatically reiterated by the General Education Board itself, that college teachers are not qualified to write the laws of the country for an obedient people.

Colleges Silent Under Criticism

The Modern College by the Rockefeller board's then secretary and investigator of college applications for gifts was a sequel to *The Country School of To-morrow* and *The Modern School.* Like them, it escaped criticism. Those each lashed hardest had least to say in reply.

The Rockefeller secretary raised the question in 1923 "whether the modern college could not, after careful analysis of the situation, offer a group of studies adapted to the future need of the prospective business man or journalist." At the time, this was being done all over the country.

It never was true, as the pilot of Rockefeller giving said, that "by no human possibility could teachers have been trained in advance or aims and ideals worked out for the great increase in higher registration enrollment following the World War." Others saw the need; the tendency was undisguised before the war; the many colleges saw it; the Rockefeller board could have helped all colleges see it.

The board's chairman in 1916 and the board's secretary in 1917 and 1923 both spoke of energizing minds through the doing of real tasks, of pursuing subjects as means rather than as ends. Yet in 1926 the recently retired chairman of the board inveighed against so-called practical subjects in colleges on the ground that they "debase the educational coinage and debase the educational process."

The secretary of 1923 said the subject of agriculture can be made as cultural as any other subject, "one of the most cultural in the whole range of studies." The person quoted was called a "broadminded humanist" and was later president of the Rockefeller University of Chicago. Of the same kind of work in high schools the board's own pamphlet by

Charles W. Eliot urged education through the senses and through doing what needs to be done. Yet in 1926 the board's executive for twenty-four years sneered at "the domestic arts or domestic sciences or economy—whatever those phrases may mean" as "far-removed from true culture and the development of that mental capacity which gives control of mind and produces high purpose."

Was this public sneer resented and disproved? It was not. It was extolled as educational statesmanship.

Without citing a bit of evidence, and contrary to evidence on every hand, the Rockefeller critic of education continued: "It is gratifying to note that engineering schools see little value in what has been called field practice." He finds virtue in the modern languages where the former secretary, and now higher education expert, found little or none.

The Oxford method of reading instead of taking lectures and studying out of textbooks is extolled without a scrap of evidence and without explaining why it took his board so long to discover our country's need for the Oxford method.

He hoped "to live long enough to see the sort of textbooks and examinations that have prevailed so long in our American universities utterly abandoned," yet gave not one iota of evidence to prove their futility, their existence, their prevalence or their inferiority to other means in wide use.

Again without citing a concrete case, he complained that "fledgling Ph.D.'s," i.e., very young instructors, made "dubs" of 75% of freshmen. So little in touch with prevailing conditions was this head of the Rockefeller millions for education that he says "juniors and seniors in college and fledgling Ph.D.'s have a natural sympathy and community of interest." Perhaps they ought to have, but a very limited contact with colleges proves this mutual sympathy lacking.

The main issue was entirely evaded, viz., *the responsibility of college authorities, including trustees, to know what kind of instruction they are financing, to insist upon modernity*

and efficiency and to pay competent instruction enough to help recruit ablest teachers. Instead of furthering this sense of responsibility, the Rockefeller board's method of giving funds encouraged the very conditions which its venerable and venerated chairman, just before his death, found it necessary to deplore; never made or suggested the research which it was expected his organization would utilize and promote; and in its model by-laws for trustees did not hint at trustee or faculty tests for quality of instruction.

CHAPTER 66

A MONEY-COVERED RETREAT

THE Rockefeller attack on the schools of 1926 was taken "lying down," as sport slang says, by almost all professional educators but apostles of the dead languages. So fiercely and so long did teachers of Latin and Greek resent the aspersions on their specialties, and so loyal to those languages were people who had been making capital out of an obsolete acquaintance with them, that the Rockefeller board gave $125,000 for a "thorough study" of its own pamphlet's unsupported claims.

In announcing this grant it did not say: "Without careful investigation, we gave wide circulation to the charge that American pupils fail not only to gain knowledge or power from their study of Latin and Greek, but they spend an inordinately long time in failing. Proof has been given that our publication, unless proved true later by scientific study, was libelous. We are sorry that, with all our millions for study before criticism, we broadcast charges which we cannot prove. To show our good intention, our openmindedness and our desire for educators' good will, we have voted $125,000 for a thorough study of the problem."

After the study was made the board didn't have it search-

ingly analyzed for unsound or inadequate procedure and unwarranted conclusions. This time it took its own punishment "lying down," but advertised a bold front to laymen. The educational world, however, knows the mastiff ran from the whippet, the elephant was afraid of the mouse.

In reporting the results of the study the Rockefeller board did not say: "A thorough study of the charges circulated by us against the study of Latin and Greek by American children has been made by teachers of those subjects. Their findings disagree with our expert's and declare in effect that our publication libelled both teachers and students of these languages."

On the contrary the report's findings are disposed of in four lines: "Definite recommendations are made as to the ends to be aimed at, the reconstruction of courses of instruction and the adoption of more efficient methods of teaching."

This money-covered retreat has, according to many leading educators, done education, taxpayers, parents and many students a greater injury than the earlier unsupported indictment of Latin and Greek. If the indictment was justified by a thorough nonpartisan study, as many insist, the cost to the country of putting in its place a money-bolstered propaganda for even more Latin and Greek is every year a hundred times the $125,000 given for the study by the Rockefeller board.

A thorough study is still a national need, but to be thorough and impartial others than special pleaders must participate.

The Classical Investigation is the title of the first report, 305 pages, dated 1924. It, like five successors, is sent out free from the Classical League, Princeton, New Jersey. For decades it will be a "classic" among educational studies. Because it cost $125,000 of Rockefeller money alone, not counting volunteered time by teachers, it will not soon be

duplicated and not seriously analyzed. Because it might have been, education assumes that it is, the last word in scientific thoroughness. Yet even one round table conference of either apostles or opponents of classical education would bring to light a half dozen serious lacunæ in the study and the reasoning. The study needs to be made all over again and the evidence already secured needs to be reviewed by another jury.

The first line of the report advertises a fatal error: "In May 1920 the General Education Board indicated . . . its willingness to finance an investigation of the classics in American secondary schools." What had happened was that for four years the classics had bombarded the Rockefeller board with protests against its unsupported attack on the classics. Worse than that the classics had publicly undermined the Rockefeller board's prestige. Instead of studying independently, the board bought peace and enhanced prestige by giving money to boosters of the classics. A great opportunity for service was cast aside when the Classical League, because it was using Rockefeller money, withheld and camouflaged the truth about how its comprehensive study came to be made.

As the classics are now presented to the educational world in this money-covered retreat, they have proved their superiority over other subjects. Fortunately for education too much is proved, for the alleged proof of Latin's superiority over modern languages or social sciences also proves Greek's superiority over Latin, a conclusion which even classicists themselves lack the hardihood to follow.

To accept this Rockefeller-financed study is to tax our country vastly more than Rockefeller has given to education, —all in deference to circumstantial evidence that courts would not allow for settling a small libel suit.

CHAPTER 67

CONDITIONAL GIFTS

CONDITIONAL giving did not originate with Rockefeller but has been pursued more systematically by his education board and foundation than by any other agency. The federal government uses it in road building and in promoting several kinds of education. States use it with counties, cities and townships. Parents use it with children. Eccentric will-makers use it with beneficiaries.

Rockefeller's gifts to his own foundation boards have not been conditional upon their obtaining additional support or doing any specified work. He has made gifts with strings tied to them, such as that he or his son might direct the spending of two-thirds of the $32,000,000 given for education in 1907. Had he given for his foundations on condition that others give two to five times as much, he could hardly have avoided more and more independence of Rockefeller in their control.

The proportion given by Rockefeller's education board varied greatly. To its $114,000,000 spend for college endowments up to 1928 others had added perhaps $200,000,000. If any general principle or scientific analysis was applied to local conditions when fixing the Rockefeller offer at half, a third, a fourth or a fifth, there is nothing published to indicate it. Had the halves been quarters, experience hints that they would all have been earned just the same.

Far more important information might have been sought before offering even a fourth. Had the Rockefeller headquarters equipped itself to ask the right questions before ever considering an appeal the whole college world would have analyzed its educational services as well as its financial poverty. Faculties and student bodies would have listed the strong and weak points of their colleges instead of play-

ing parasite or psychoanalyzing the susceptibilities of acquaintances and neighbors for possible donations.

The Rockefeller board claimed it scrupulously refrained from asking any questions that might be construed as an interference with teaching. This is plausible but not adequate. The board demanded to approve southern professors of secondary education before their appointment. Why skimp on questions about the number of high schools represented in those professors' classes, the nature of college managing and reporting or adequate pay and adequate standards for teaching?

No captious critic could have gained sympathy for a protest against the Rockefeller board's announcing that it would consider no application from a college which made no annual report of its work to its own constituency; which failed to give a true picture of its finances; which failed to include unpaid bills in its costs; which counted the same students two or three times in its total of students; which failed to explain the purpose of its different courses; which failed to show the number of classes of three or five or below ten; or which failed to test its teaching efficiency and report its unit costs of teaching.

The conditional giver might have gone farther and worked out with fifty colleges a minimum standard for college reporting, college cataloging and college supervising. After an agreement as to these essentials it might safely have said that it would consider applications from no colleges except those at or above the minimum of acceptability. Such a procedure would have multiplied the benefits from conditional money gifts.

Conditional giving had two alternatives: giving outright, and spending only for work to be done by agents responsible to the Rockefeller board. The agricultural demonstrations were cases of giving outright, with no conditions, for United States agents to spend. Having given the money the Rocke-

feller board had no responsibility and asked no questions. That is the way it gave to colleges.

When, however, the Rockefeller board made an investigation its workmanship as well as its giving was advertised. There was no one else to blame for any defects. Obviously such giving would have taken a great deal more work and worry than giving outright and letting the beneficiary worry and work. The concluding section of this book gives reasons for suggesting that Rockefeller and other foundations might make more important contributions if compelled by law to earn their halos by the efficiency of the work done under their own unevadable responsibility.

Giving for "drives" was unquestionably accelerated by Rockefeller conditions. It is doubtful if giving from a genuine, informed, thoughtful interest in education was fostered by this substitution of boiling for percolating, washouts for irrigation.

CHAPTER 68

A SECRET CONDITION

A DOZEN trustees sat in an office a few doors from Rockefeller's business office. They were listening to a reply to a criticism by Abraham Flexner—privately circulated and marked "Confidential," by Rockefeller's General Education Board—upon certain educational work done under their trusteeship. The reply was by their chairman, R. Fulton Cutting.

At that time their field agents were, by request, surveying a great state university and eight state normal schools in Wisconsin and 6,000 rural schools and five normal schools in Ohio. They had been the first to survey a rural school system, Wisconsin's; had, upon request, surveyed extensively or hurriedly a number of city schools; had projected

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ROCKEFELLER'S NEW YORK CITY HOME

4 West 54, first west of Fifth Avenue. The house, with a two story garage almost as deep as the house, is assessed at $50,000 "full value." The site has been persistently underassessed for taxation. See page 278.

the divisions of reference and research in the Rochester and New York public school systems; had tried to foster informed public interest in, business-like management of and constant self-study by public education, high and low.

This trustee group consisted almost entirely of multi-multi-millionaires. One was president of the General Electric Company, an international corporation second in repute to none except Rockefeller's own company. A. W. Shaw was editor of the *Review of Reviews* and a Rockefeller trustee. Victor Morawetz had recently been chairman of the Santa Fé Railroad board; George W. Wickersham, attorney general of the United States, etc. Dr. Shaw called his Rockefeller agent's report "a disparagement, not a criticism." Yet in answering the Rockefeller criticism it was considered "strategic not to irritate the Rockefellers." Instead facts were calmly stated, usually in the words of some city or state official who had first-hand information.

The answer showed, page after page after page, with several items on a page, that the Rockefeller agent's report to the Rockefeller board and a secret Wall Street mailing list of about one hundred, was contrary to the facts. For example, it read: "Where he says there are no specifications, I find several specifications. Where he says it was personal, I find no evidence of personal. Where he says it was fruitless, state governors, city boards of education and the United States commissioner of education say the work was extraordinarily fruitful."

Every man in that room agreed to this answer and agreed to the conclusion that in privately distributing a disparagement the Rockefeller board had grievously wronged an important educational service.

A Rockefeller Lunch

At this point came a telephone message from Rockefeller's counsel asking two trustees, Chairman Cutting and

Victor Morawetz, to lunch with Rockefeller's son and himself. It was debated whether they could with self-respect accept this invitation. It was decided that they should accept but that the letter proving the privately circulated Rockefeller criticism untrue and venomous should be gotten to the Rockefeller hosts in advance of the lunch.

What was that lunch about? Not about the letter showing the untruthfulness of the Rockefeller attack, nor about any of the points in the attack or the answer. After the lunch one of the two invited trustees, Chairman Cutting, slowly seating himself, shook his head several times and said: "They are strange people. If it weren't for the money, I wouldn't have sat and listened to them."

It then developed that at this lunch Rockefeller's son and counsel—speaking now not for the General Education Board that had circulated the attack which was considered unwarranted and unfair by the two luncheon guests, but rather for the Rockefeller Foundation—offered $10,000 a year for five years, if the New York Bureau of Municipal Research would stop its postcard *Efficient Citizenship* bulletins, its out of town city surveying, its training school for public service and its school work.

This was not a question to be submitted for discussion to all contributors and a coöperating public, then giving several times the Rockefeller offer. It was a secret offer never intended to get to other subscribers or the public. It was made by Rockefeller's private office for the Rockefeller Foundation without consulting Foundation trustees. It was accepted without consulting the donors whose gifts were scuttled or distinguished advisers who represented the founders of the Training School for Public Service.

As a result of that conference—and no one knows how many dozen or hundred similar instances there are which have never been given publicity—a work was throttled which in its effects upon citizen interest, upon the applica-

tion of research, upon the training of young people for public service and upon policies and practises of public education, though not in money, rivaled Rockefeller's money gifts.

Thus Rockefeller power was used to paralyze an educational and civic movement. Rockefeller himself never inspired this instance, just as he claimed that he had never known most of the various incidents which caused the United States Supreme Court to condemn his method of building up his oil industry. The less Rockefeller himself knew about it the clearer is the menace that lies in any tremendous power which is accountable to no public control, no matter how benevolent its donor's motive.

A Sample Traduction

THE Rockefeller traduction declared that there was no evidence of the local agency's enjoying the esteem or cooperation of educators in New York. At that moment there were several men from Columbia University gaining Columbia credit for field training under this agency's supervision. Two of Columbia's most noted professors, Charles A. Beard and Henry R. Seager, had recently strongly endorsed the work for two national associations of scientists and commended to colleges its method of field training for public service by factfinding and fact reporting, as had professors from Harvard and New York universities, Albert Bushnell Hart and Jeremiah W. Jenks. Another Columbia department had just recently asked for closer coöperation. A director was being advertised for a course at New York University the coming summer, who had shortly before given the commencement address at Pratt Institute, organized school health work on a large scale, addressed numerous associations of teachers and supervisors, acted as judge of an intercollegiate debate at City College, and furnished a plan which Adelphi College and its alumni were

using to interest the public in Brooklyn's need for higher education. All of this was of record.

The organization's training work had been of enough importance so that the *Saturday Evening Post* had three articles commending the extension of it throughout the United States.

Educators Libelled

So bent upon disparagement was the Rockefeller agent, Dr. Abraham Flexner, that he declared of men who made the Wisconsin and Ohio rural and normal school surveys and local school surveys for Rochester, Newberry, Atlanta, St. Paul, etc., that they "lacked the character and personality for independent judgment." Several high-class lawyers said these statements were clearly libelous. Although ample evidence was submitted by the trustees who employed these libelled men, and later in other ways, that these statements were libelous, no member or officer of the General Education Board ever retracted them or expressed regret for them.

Instead of refusing to have any dealings with Rockefeller agents until their misrepresentations were repudiated, the very letter that proved the Rockefeller agent a falsifier and a defamer said it would be a great help if this defamer would act as a future adviser. Such is the power of the two money birds in the bush to lure from the bird in the hand.

One of the investigators who were characterized as "of limited training and experience and assuredly not a person of independent judgment" was at the time conducting the Ohio survey which a famous historian from Rockefeller's own university wrote had led to an "educational renaissance" in that state and which still remains the high-water-mark in educational surveying. His doctorate was by virtue of a great deal of hard work and scholarly attainment and not by compliment, as was that of the author of the Rockefeller disparagement. After leaving Ohio this disparaged

educator, Dr. Horace L. Brittain, went into Canada where his services to education and government by his leavening ideas throughout the Dominion would make any educational board which did not consider itself superior to truth and public opinion wish to acknowledge the wrong done by the Rockefeller board when it secretly circulated its defamation of him in 1914.

A second libeled investigator, August N. Farmer, has a record for constructive educational work not equaled by any but possibly two agents of all Rockefeller foundations. His record was sent from time to time to Rockefeller's son and the General Education Board's chairman in the hope that they would wish to retract the libel they secretly circulated in 1914.

Rockefeller Changes Standards

ONCE before when a powerful adviser of big money said he would attack our financial support unless a certain report died a-borning, Frank A. Vanderlip, then a trustee, said: "Gentlemen, as trustees of the Bureau of Municipal Research we are free to discuss the timeliness of a report, its accuracy, its tone, its soundness, its form; but we cannot consider suppressing a report in exchange for financial support."

Unfortunately the Vanderlip spirit was lacking in 1914. He was no longer a trustee. Professor E. R. A. Seligman, who had on the earlier occasion said "suppressing or writing a report for financial support will be the beginning of the end of our municipal research," mustered no such courage and idealism when Rockefeller beckoned. Rockefeller is different.

His secret condition snuffed out continuous large scale citizen research into New York City's government after eight years of convincing success and did more to revitalize Tammany Hall's worst evils than Boss Charles F. Murphy

could possibly have done without the moral breakdown which the Rockefeller conditions bought.

Publicity Not Expected

Possibly that is the only case where Rockefeller foundation power has been secretly used to injure a work and disparage workers. Who knows? No one knows. It was not intended that this should be known. The woman trustee of the injured service, Mrs. E. H. Harriman, whose husband's last public interest had been this work, demanded to know: "What has this man ever done to entitle him to tell us what to do and what to stop doing?" Yet as the men trustees bowed to *Potential Displeasure and Possible Gifts* she later bowed to the *Investment Power* of "this man," swallowed her righteous indignation and fell in line.

Money and Moral Cost

What of the work? It disappeared in New York City where it started but on its record there and elsewhere it waxed strong in Akron, Chicago, Dayton, Detroit, Duluth, Kansas City, Minneapolis, Ohio State, Philadelphia, Rochester, San Francisco, St. Paul, etc., and has recently taken root in New Bedford, Fall River, Cincinnati, Pittsburgh, Buffalo, Schenectady and sixty other cities. New York owed to its factfinding and promotion, in coöperation with public officers, its country-infecting budget system and budget exhibits, division of child hygiene, accounting reforms, municipal reference library, division of school reference and research, increase of over $2,500,000 a year in water revenues, fire and police training schools, better food protection, reorganization of several city services, the removal by two governors of three borough presidents for incompetence, recovery of ocean beaches, then fenced against the public and a city-wide conviction that "no matter who is

elected" citizen knowledge of government results will insure more efficient government.

Mayor John Purroy Mitchel knew this citizen work which the Rockefeller board paralyzed. He had used its coöperation as he won his reputation as commissioner of accounts, as president of the board of aldermen and as acting mayor. He had seen Tammany mayors who publicly excoriated it, like Mayors Gaynor and McClellan, later use it for constructive work of many kinds and to protect themselves from importuning politicians. He had seen Comptroller H. A. Metz utilize it for accounting and budget revision and when out of office give $30,000 to prepare educational handbooks on municipal accounting for other cities. The month he was elected, November, 1913, he wrote that in spite of the propitious outlook for his administration's success he was sure he could not succeed unless given informed but independent citizen coöperation and criticism. Yet because of the Rockefeller chloroform he was deprived of that constructive, fact-based assistance, as were the public and Mayors Hylan and Walker during twelve succeeding years when penalties for citizen inattention were colossal.

Just in dollars and cents the Rockefeller success in chloroforming independent but constructive nonpartisan citizen research as to governmental acts and results in New York City has cost this city and the country far more than all that Rockefeller has given away.

The fact that this secret chloroforming was done not by Rockefeller but by his son and other agents only emphasizes the danger inherent in enormous benevolent foundations acting upon the cupidity and poverty of civic, educational and religious agencies.

Rockefeller Money Buys "Loyalty"

A QUESTION of principle divided the young men involved in the above-mentioned offer of Rockefeller money on condi-

tion that municipal research work be changed in ways that threatened injury to good government. Several of them felt that accepting the Rockefeller offer would cause irreparable damage to public welfare and so wrote the trustees at whose invitation they were helping work out an important public problem. They were not consulted. Their letters were not acknowledged.

While the younger men were deciding what, if any, attitude they should take if their trustees accepted the Rockefeller offer, Rockefeller money was brandished and salary increases were offered. One man without a scholarship, who was staking his time without pay against opportunity to gain experience and training, was offered $1,500 a year—and took it. Similarly others accepted increases from $1,800 to $3,600, from $1,500 to $3,000, etc.

These increases were for no change whatsoever in the character or value of their services. Obviously not one of them was worth a dollar more after receiving the Rockefeller gold. One who received a largest increase called it conscience money and said, "They simply bought our loyalty." Incidentally he had been specified in the Rockefeller disparagement as a man incapable of independent judgment. What the money bought was apostasy and an apostasy that, as said above, has cost the country, including especially New York City, vastly more than Rockefeller has given away.

Widely Circulated Detraction and Self-Detraction

When Rockefeller agents set out to chloroform municipal research in New York City the press voiced surprise and protest. Then three publicity steps were taken which are symptoms of an inevitable attitude where enormous wealth is dangled before the eyes of individuals and groups who want either money or influence.

First, statements were made to the press disparaging the

young men who had ambitiously entered the research field by invitation of the very same trustees who issued the disparaging publicity.

Secondly, equally disparaging statements were issued about the work which these business men had been sponsoring and lauding. Voluntary self-disparagement would have been bad enough if deserved, but the statements were so clearly untrue that City Chamberlain Henry Bruere, formerly employed by these business men as director of field work, considered it necessary to write a denial. The remaining director of the disparaged but amenable agency whom a Rockefeller Foundation report heralded as now being in charge of important investigations for it, had but a short time before the underground attack not only publicly commended one of the disparaged school surveys but claimed personal credit for its excellence and adorned the tale with his own photograph.

Thirdly, a "gray book" was circulated containing newspaper editorials written from the untrue self-disparagements. One former supporter wrote to Chairman Cutting that, speaking as one who had given over $700,000 through the officer against whom this publicity was directed, he considered it not only defamatory but cowardly.

This libeling of their own past record was not for the truth's sake or their own sake but for Rockefeller's sake, the concern for Rockefeller springing from a desire for future gifts and other Rockefeller favor.

The motive for such Rockefeller sabotage is not so easily established as its fact and its costliness to society. Two subsequent events throw some light: The Rockefeller board started to make educational surveys which only a short time before it wrote to me it could not well undertake; and when in 1916 the plan for sinking the railroad tracks along Riverside Drive and Eleventh Avenue, New York City, came up for public discussion, the spokesman for the scut-

tled nonpartisan research and publicity service was an engineer who had helped draw an indefensible plan for sacrificing city welfare to a private corporation. Thus whatever prestige that service retained was used to endorse a threatened public injury.

The continuing inspiration to the attack was the secretary eulogist, cited here later, whom college professors from Harvard and other universities gleefully claimed as an inside ally for torpedoing the attacked researchers.

CHAPTER 69

UNIMAGINATIVE TRUSTEEING

ROCKEFELLER himself says his foundations are responsible to public opinion; a former secretary says that the board is "responsible to public and professional opinion." Both forget that no donor is responsible to his beneficiaries and that no foundation can be responsible to people who do not know what alternatives it has rejected as well as the causes it has aided. Because this board gives inadequate information and invites neither public nor professional opinion to express itself, it is responsible to neither. For the same reason the officers who make decisions before informing trustees cannot properly be called responsible to uninformed trustees.

Evasion of Responsibility

THE report for July, 1924, through June, 1925, with 23 editorial pages—one of the most discursive—came out as usual nearly a year after its period ended. It contained numerous statements which would have been challenged if this board had been spending $6,000 instead of $6,000,000 a year.

After claiming that "the number of sound educational

proposals that can be framed is well nigh infinite," the report said, "the resources and personnel of the General Education Board are so limited that the board cannot undertake to be helpful in many parts of the field."

On the contrary, a $6,000,000 revenue and a usable $75,000,000 capital were so enormous that the board might easily have been, and should have been, expected by an enlightened public to be, helpful in very many parts of the field.

No one but the board itself had the legal power to decide what its personnel should be. No one else might decide whether its capital should be used or hoarded. There was no reason in the world outside itself why it should have had such limited personnel or such a limited field. The board was only begging the question of its accountability when it let its officers say for it that it could not be helpful in more fields.

No Standard Discoverable

After over $171,000,000 had been pledged to colleges it was doubtful if there was a human being inside or outside the board who could explain by any consistent principle why 291 colleges obtained Rockefeller gifts and 200 others did not. It is safe to say that since "the curse of the poor is their poverty" it would have been just as easy to make out a case for rejected colleges as for accepted colleges. No standard is discoverable for its college giving. Its findings were never made public. The potentialities of the colleges which secured its gifts were never described. The success of colleges it refused to help proves some kink in its diagnoses.

The few facts told about colleges concerned endowments and numbers of students registered without eliminating double or treble registrations. It gave the total membership of a church in a state with the unsound implication that the whole denomination was tributory to one church college. It never reported a spiritual fact about faculty or in-

struction or conditions of living or student body. Certain it is that there is no evidence of a scientifically distributed higher education system having been developed such as was promised when Rockefeller's enormous gift of $32,000,000 was made in 1907.

Morally certain is it also that tens of millions were given by it to strong institutions that would have secured those tens of millions from other sources if Rockefeller's fund had used its gifts for weak centers and that owe those gifts to nepotism on the part of Rockefeller officers and agents.

Assumptions

In saying that "on the average a college needs $500 per year per student" it first frankly admitted that it "assumed" rather than investigated and then gave an "average" figure that reflected no usable truth. In its assumed average were all mixed together eastern city colleges where costs are very high and rural colleges in the south and west where costs are much lower. High-pay faculties were averaged with low-pay faculties. New buildings needing few repairs were mixed with old buildings needing many.

Just as unuseful and just as expressive of the Rockefeller failure to keep in touch with what is happening right across the street and around the corner was its assumption that "on the average" colleges must get at least one-half the per capita cost from endowment. No officer or trustee seems to have noticed that it elsewhere says only 8% of America's student body was in colleges that had the endowment which it says colleges on the average have to have.

Not a fact was given about the status of endowments in colleges of different kinds and sizes. No data were given about per capitas of different colleges, or student registers or standards of pay for teachers, or teacher qualifications, or best practices.

Further proof of high inefficiency is that in all these

years the Rockefeller board never possessed or published comparable data about unit costs per credit sought in each subject for our colleges and universities, or about college endowments and earnings.

The board's office stated that the reason for not giving out information like this is that "the colleges ask that it be withheld." This policy, of course, would be entirely indefensible, even if it were accurate. It was never expected when congress chartered the now Rockefeller board that it would help its beneficiaries conceal from their clients and from the general public what they were obtaining from a central foundation, or that it would withhold what it was learning from colleges about education's needs.

A signal opportunity was lost because the Rockefeller reporting was not such as to help correct the mistakes of almanacs which still give unweighted and incomparable figures for the number of students so that one person attending a summer school one-fifth of the time or a lecture course twice counts just the same as a student registered full time ten months.

If this report took two days of preparation,—or if the report for 1928 took a forenoon,—time was wasted. They set a costly example to reporters for public and private education and to trustees of giving and working agencies. In exhibiting so few earmarks of efficient reporting the Rockefeller trustees sinned against their own light and defied standards that are now common in business and usual in philanthropy when compelled to appeal for funds.

Current Gifts Disparaged

Of increased current gifts the report says that they could afford at best only temporary relief. "They are a dangerous reliance because they are apt to lapse. At best they merely postpone the evil day." This is no more true of college support than of charity support.

A great opportunity was lost to report to all colleges how some of them keep in touch with current constituencies and tap reservoirs of current support, how tilling the field for current support secures larger endowments, and how seeking current support the right way is education of the best kind.

Nowhere did the Rockefeller board help colleges see possible revenues in small contributions from alumni except in drives to earn the Rockefeller conditional offers. Yet there are colleges whose success in making it attractive for alumni to draw small sums from their unearned increment would, if known, stimulate hundreds of other colleges to add enormously to their support. In 1926 the alumni of Columbia University were sent a strong appeal to do their share currently; 9,209 Yale alumni gave $520,000, including $68,000 in bequests.

The very years that the General Education Board said higher tuition was hardly worth thinking about it lauded Teachers College of Columbia University for its service to educators. It did not laud too much, but it missed a rare opportunity to remind education of alumni support. "T.C." sought $1,000,000 from its large army of alumni and former students toward $3,000,000, of which the Rockefeller board promised a conditional $1,000,000. Instead of this relatively small sum for the self-admitted "cream of the profession" to raise, they actually gave $91,000. An attempt to learn what that small financial expression of loyalty meant would have helped "T.C." more than the Rockefeller million, and education more than many millions. No such problem was ever studied by the Rockefeller board.

Capital Allowed to Grow

In 1920 Rockefeller released his education board from any limitation upon spending its principal. Since then it has been free to give away principal as well as income.

This new freedom Rockefeller said he hoped his board would use. He "would cordially endorse a decision to use the principal as well as the income." In 1909 he had released $31,000,000 except that he wanted a two-thirds vote before disposing of the principal; even that little hampering string he cut in 1920.

The board implied that it was going to use its freedom. It said: "There is no reason why giving organizations like the General Education Board should decline to meet a pressing need to-day in order to relieve posterity of a responsibility that will mature a generation or more hence."

What it did is different. In 1925 it carried forward $73,000,000 or 73% more in principal than it had before the Rockefeller windfalls for meeting emergencies in 1919-21. Its balance in 1926 was $66,000,000; in 1919 it was $31,000; in 1927 it was $50,000,000; in 1928 $43,000,000.

Before the windfalls began, all through World War emergencies and opportunities, it carried every dollar of principal which Rockefeller had given it, just as if he had not himself—without an intermediary this time and for the only time—suggested in writing June 30, 1909, that the principal be not held in perpetuity but to be used "the whole or some part whenever it shall seem wise."

It would have been easier for trustees to weigh the wisdom of hoarding or using capital if outsiders familiar with educational needs had been invited to discuss publicly the question "to hoard or not to hoard."

What the Outside Audit Misses

EACH year an outside auditor went over some, but not all, of the financial records. His certificate said he had made sure that the accounts were correct. He did not say he vouched for the published accounts, which frequently contained discrepancies like crediting a year before with a

smaller balance carried forward than that preceding year's own report claimed.

He made it clear that he had nothing whatever to do with the economy or wastefulness, efficiency or inefficiency of spending or with the adequateness, inadequateness and accuracy of reporting. Hence he passed over the editorial claim that $150,000 was appropriated for Mississippi flood victims where the financial summary said $138,000, etc.

To the accountant as well as the trustees and officers, a dollar was a dollar whether voted before 1914 or since 1920, notwithstanding the incomparability of those two dollars. Had the General Education Board in its financial statements, its summaries, its talk about endowments and college costs, etc., kept pointing out the shrinking value of the dollar it might have helped college publicity and finance incalculably.

For want of such reminders Rockefeller giving to education deceived itself about its own significance and education's unmet needs. Until 1926 it was seemingly unaware that as a whole the colleges which it generously helped were actually harder up—because of depreciated dollars and added students—than when the help was given; the 1926 report, out in 1927, admitted this truth.

For Flood Sufferers

In eighteen months the board, with over $40,000,000 with which to do what it pleased, voted and spent $138,432.40 for "repairs and reëquipment of school houses in flooded southern states." Even this followed outside publicity that it had done nothing.

To this problem the report for 1927-1928 gave 25 lines. It admits that it gave less for this than a Chicago citizen and that in two states taxpayers gave nothing. Such giving and such reporting illustrate the chapter title "unimaginative trusteeing."

CHAPTER 70

UNDERPAYING STUDENTS, UNDERPAID FACULTIES

HAD the Rockefeller board during the World War published the effect of money inflation upon college support and college charges, higher education would have obtained from students, without increasing actual burdens, many times the Rockefeller $38,000,000 gift for higher college salaries.

There was a chance, too, to marshal the facts about student or parent ability to pay every whit that it costs to offer college instruction. The possibilities of taking promissory notes where students could not afford full cash payment might have been presented without recommendation. In that alone there was a revenue many times all Rockefeller's giving for education.

Neither Young America nor Young America's parents want college students to be objects of charity. Rockefeller investigations might have shown, as other investigations have shown, that there is an enormous unearned increment from a college course—over $72,000 on the average, eastern college accountants and the Harmon Foundation reported, in 1926. Both Yale and Princeton student editors applauded a post-war suggestion from the Institute for Public Service that, instead of begging, our colleges might better charge full-cost tuition, taking cash from those who have plenty or too much money and taking notes from others to pay when their earnings start.

Colleges were ready to jump. They were alive and thinking together as they had never been before. Instead of studying or suggesting study by each college the Rockefeller trustees said higher tuition was questionable. So far from being questionable was it that the whole college world went

right along increasing tuition but not on a scientific principle coöperatively explained to the public.

Sample Low Salaries

THUS it happens that after ten years of inflation, of 353 colleges reporting to us 91 were charging less than $100 for a year's tuition, 290 under $200, 341 under $300, only 12 over $300, while 9 charged $400 or more. Among colleges of the same size and similar clienteles there were wide ranges of tuition charges, for example, colleges of 500 to 1,000 students charged from $50 to $400.

If within each size-group all colleges were to raise their tuition only half-way to the maximum for their group, they would add $31,000,000 a year to their fund for paying teachers, which is sixteen times Mr. Rockefeller's splendid gift.

Of 225 colleges compared, 33 were charging less in purchasing power in 1927 than in 1914, while 119 had increased less than $100 since 1921.

Side by side with this undercharging of students went—quite naturally and almost inevitably—an underpaying of college teachers. Of nearly 300 colleges nearly one-half paid full professors in 1927 less than New York City considered several hundred dollars too low for its elementary teachers. Only one college in 30 paid its teachers rated as instructors as much as New York's too low pay for elementary teachers and one-third the colleges paid their highest-priced instructors less than the beginning salary for elementary teachers before New York raised it to $1,608.

Typical of low pay for college teachers nine years after Rockefeller's $50,000,000 crusade for adequate pay the following were reported in 1927:

An eastern university of 6,000 students starts its instructors with $1,800, assistant professors at $2,600 and its full professors at $4,000, its maximum for men of international reputation now

being $4,200. Another big university credited with rich backing starts its faculty at $1,500, begins its professsorial rank with $2,000, starts its full professors at $3,000, but goes to $6,000 for its exceptional maximum.

A famous college for girls starts instructors at $1,200, goes as high as $2,700 for an assistant professor, starts its full professors at $3,000, and pays a maximum of $5,000 for faculty members of distinction. Another college for women, in an expensive locality, begins at $1,400 and goes as high as $4,000 for an exceptional teacher of 30 years' experience.

A college of 600 students, one of the best known in the world, starts its faculty at $12,000, its professors at $2,500, its full professors at $3,000 and has not yet gone above $4,800 for exceptional men. A middle western college of 2,000 students starts at $1,400 and pays no one over $3,400. A Pacific Coast college starts at $1,400 but stops at $3,000, while perhaps the best known Pacific Coast college starts at $2,000 and stops at $3,500.

Two famous colleges for training engineers, with 600 students, pay their instructors $2,200 and $2,500 the fifth year, their assistant professors $2,800 the fifth year as professors, and their full professors $3,500 and $3,800 the fifth year as full professors.

One of the best known colleges for negroes, with a faculty mostly white, pays its women instructors $720 to $850, its women full professors $1,020, its men instructors $1,190 to $1,270 and its men full professors $1,440 to $1,900.

Later the Rockefeller board itself reported in 1928 for 15,430 full-time teachers in 302 colleges that their average salary was able to buy not quite 6% more food, clothing, housing, etc., than before the World War upset our dollar. Because this average was of money rather than of people, and because big increases and little or no increases were mixed together in that average, the actual purchasing power of college teachers was greatly exaggerated.

Rockefeller Average Concealed Underpay

UNFORTUNATELY neither college teachers themselves nor the public were told about the thousands of underpaid teachers whose hardships were offset by luckier teachers in the

computation which showed the average 6% better than a dozen years before.

Yet of the 15 groups that were bunched together in making college teachers seem better off three of them having 6,960 teachers were worse off, while a fourth with 1,547 teachers was practically the same. In fact, the 9,863 teachers in largest institutions, or almost two-thirds of the total were worse off as were other thousands whose distress was lost in the published "averages."

Instead of skywriting the truth about thousands of college faculties which were still being paid too low salaries, and instead of using money given it specifically for getting such salaries raised, the Rockefeller board held back $12,000,000 on the ground that "the salary emergency insofar as it was due to the war (had) passed."

Thus besides giving up an opportunity for desperately needed service it led the public to believe erroneously that Rockefeller had given $50,000,000 for a war-bred emergency in college salaries. On the contrary his letter never mentioned the war. It did mention "discouragements due to financial limitations." It did mention the "equal importance to our future welfare and progress that able and aspiring young men and women should not for similar reasons [too low salaries] be deterred from devoting their lives to teaching."

Instead of carrying out his wish imaginatively the trustees stopped short of even carrying it out literally and left a salary situation that de-recruited and deterred high ability from college teaching.

Such conditions could not have survived had Rockefeller trustees scattered and reiterated information instead of scattering money with inadequate circulation and reiteration of the truth.

Instead of citing computations which would have shown more income obtainable than colleges knew they needed,

the Rockefeller board said conditions could only be "mitigated rather than met by income thus obtainable."

The week after the foregoing illustrations by the Institute for Public Service appeared in the *Literary Digest* a tidal wave of editorial and letter writing was started by Rockefeller's son. He was speaking to Brown alumni at commencement, 1927. He said what the General Education Board should have been able to see and say ten years earlier, —that many students can and should pay all their instruction costs, that deferring payments until students earn will enable even poor boys to pay full-cost tuition and that if only one in four should pay full cost in cash college income would jump $17,000,000 a year.

He did not say, what is true of this idea-gift by Rockefeller's heir, that even $17,000,000 a year is nine times Rockefeller's $38,000,000 gift for higher college salaries. By building upon it and helping 600 colleges apply it, the General Education Board could at slight expense have given colleges vastly more than the $400,000,000 which Rockefeller himself has given away.

CHAPTER 71

THE GIFT CONGRESS REFUSED

THE second great Rockefeller agency for giving away money was the Rockefeller Foundation, chartered by New York's legislature in 1913. The board holds two meetings a year.

Between 1913 and 1928 it gave away, spent and promised $109,000,000 for a great variety of causes, chief of which in amounts received were medical hospitals and education in China; international warfare on hookworm,

malaria and yellow fever; war gifts; and medical education elsewhere than in China. On war work of all kinds it spent $18,600,000.

The executive of this largest Rockefeller foundation, George E. Vincent, came to the post from the presidency of the University of Minnesota, following twenty years at the University of Chicago. Among his personal backgrounds was a father who organized the Chautauqua university extension movement which spread so inspiringly throughout our country, plus a personal service as promoter of that work. In experience he brought assets for administration and public education never approached till 1926 in the Rockefeller education board's executive.

The trustees in 1927 were seventeen. Rockefeller's son is chairman of the board and the finance committee. The executive committee is 4 to 2 to payroll members, and the finance committee 2 to 1.

The twelve trustees of 1927 who were not practically of Rockefeller's private office included a former ambassador and candidate for president, John W. Davis; a noted western editor, William Allen White; four faculty members from three Rockefeller-aided universities; two Chicago business men and philanthropists, including Julius Rosenwald; a New York lawyer who is prominent in Catholic charities and general civic work, John G. Agar; and Charles E. Hughes, recent secretary of state and member of the United States Supreme Court, which in 1911 so severely condemned Rockefeller's fortune building.

Foundation Nepotism

THE collegiate loyalty of the Foundation is strongly Yale, as that of the General Education Board is strongly Johns Hopkins and Yale. It may be that those collegiate loyalties have had no effect upon Rockefeller foundation giving, but

certainly those two institutions have been found strategic points for numerous and enormous gifts.

That nepotism has not refused to rest in Rockefeller foundation management there are more indications than the donor suspects. He has braved public criticism out of loyalty to his theory that "a personal appeal creates no claim which did not exist before." He has insisted that causes be impersonally and scientifically studied by his agents. Yet no one can read the totals of money given and the places selected for his foundations' giving without asking whether propinquity and inside interest and knowledge have not had a greater part in this giving than Rockefeller himself ever intended.

Such nepotism is next to inevitable unless the Rockefeller rejections are published side by side with Rockefeller grants and unless public suggestion and criticism are invited and welcomed.

Similarly the special qualification of foundation trustees to serve the public depends upon their knowing what alternatives exist to the policies they back.

The chairman of the trustees and of their finance committee is Rockefeller's son.

As Rockefeller's private office spread in control of the educational fund it receded in the Foundation. When investigated in 1915 the Foundation's executive was a former private secretary without any experience analogous to the two last executives' university presidencies. The executive and finance committees were 100% Rockefeller payroll members, of 11 trustees all but two were "in the family." Outside judgment hadn't even a chance to express itself; today it has the legal chance, although not much more at two meetings a year. In law and in trustees it is no longer a family affair, although in its executive and finance committees it is still a family affair, except as the president may prove independent and persuasive.

Superlative Attention-Getting

LAYMEN find themselves tempted to read paragraphs under headings like these:

Private aid in public tasks
From hookworm to hygiene
Yellow fever retreats from the Americas
An adventure on the gold coast
A new use for Paris green
From emergency to development
"The proper study of mankind is man"

They are from a Rockefeller Foundation report. Under President Vincent the Foundation has employed a tone and manner of reporting more popular than that of the Rockefeller education board where Trustee Vincent's reporting lacked those elements of promptness and efficiency that characterized his own executive reporting.

The latest full report, for 1925—obtainable upon request like all Rockefeller reports—tells a thrilling story of health aid in 97 countries including Brazil, Austria, Czechoslovakia, Poland, France and our own country, where 299 full time county health units in 33 states were expressing Rockefeller coöperation with government officials. Widely circulated press appraisals read: "You couldn't die of yellow fever now if you tried. That is really intelligent philanthropy."

For popular consumption its president's report is separately printed with maps and photographs. It is issued a few weeks after the end of each year. Newspapers use it liberally and editors comment approvingly.

Each main report of over 400 pages is indexed and gives financial details which are not, however, topically indexed. Every bond or stock is listed with the ledger value credited to it by the Foundation's finance committee,—$165,000,000 at the end of 1926.

Though fewer in number than in the education board's reporting there are discrepancies between editorial figures and treasurer's figures, between publicity and official figures and between treasurer one year and the same officer's certifications for the same item the next year.

Unlike the General Education Board until the two last reports the Foundation reports lapsed pledges by objects each year. In five years, 1920-1924, they totaled $6,700,000.

Interest on cash deposits and rates are not reported, although 1926 began with $6,300,000 on deposit or in the hands of agents ($2,700,000).

The cost of central office management in 1925 was $142,000. This is $172,000 less than the General Education Board's administration expenses. What goes into either total is not reported. Neither "overhead" is large for the "turnovers" of over $9,000,000 and nearly $6,000,000 for disbursements alone, not counting appropriations in excess of expenses for past and future years and not counting the enormous investments. Each is large enough to be reported in enough detail to reveal any extraordinary expenses.

An outside audit is made each year and reported to Rockefeller's son as chairman, but is not published.

While as running stories the Foundation reports are interesting, they do not give the silent partner any cue to what its own operating efficiency is. Results reported are enormous. Hookworm is going. So are malaria and yellow fever. Any one of several gains effected with Foundation coöperation is worth the whole hundred million the Foundation has spent. All of which might be true and the Foundation's own part still be only 80% or 50% of its own possible efficiency if it would invite public and professional suggestions and publish the suggestions after studying them, would refuse help where it is not needed, would discontinue as soon as possible and would tell the public the facts about the possibilities of health prevention by governments without private aid.

Other Greater Achievements Possible

PERHAPS coöperating governments might do more; an agency given Foundation money might now be 50% inefficient without the Foundation trustees or the public knowing it. Giving money to convinced states may be delaying rather than expediting health progress. Perhaps other philanthropists or some of our governments would use some of the ideas and facts if more were published. Perhaps peoples would leave less for governments and the Foundation to do if the latter would insure independent, efficient studies of its own efficiency. Only one seventh of its disbursements are for the health work from which it derives six sevenths of its prestige; $1,948,000 scattered over the world can hardly be responsible for all the world health gains reported.

Because of its wealth no one else challenges its claims and implications. Beneficiaries don't. Would-be beneficiaries don't. Other foundations don't. No one wants to, every one wants health improved and naturally applauds optimistic reports of world gains. Because no one else challenges, it does not challenge itself. The trustees do not test the officers. Inferiors do not test superiors, at least openly. Superiors have not the motive to test inferiors. Thus it is an entirely natural thing for discrepancies to go undetected, for doubters to be silent and for natural curiosity to atrophy.

Yet if Rockefeller would give but a few minutes to the reports of this service which most interests him he would ask the trustees: "Have you noticed that we report several million more persons treated for hookworm than we report infected? That in several instances we report more persons treated twice than were examined and a million and a half more persons treated once than we report examined?"

If these questions surprised the trustees Rockefeller would doubtless say: "Please note that for Ceylon we report 112,089 persons given two or more treatments and 117,337

single treatments (in 1920) when we also report only 12,814 infected and only 16,961 examined. In my hurried glance I noticed about 88 similar discrepancies which I have thought it might help to explain. Many people may not know what we mean."

Without interest in and frank admission of his business failures, losses and inefficiencies Rockefeller could never have been a billionaire. Without current audits or operation tests of its efficiency neither the Foundation nor the world can know whether vastly more might be done with the Foundation's opportunity.

Efficiency of Its Studies

For studies in 1925 the Foundation made available $1,300,000 which is the interest on over $26,000,000. This is an enormous income; only a handful of the 525 colleges and universities of the country enjoy as much. It is nearly 5% as much as 523 colleges together have for all expenses. The mere statement of the figure is evidence enough that vast results may reasonably be expected.

In calling attention to the Foundation's inadequate report of its studies in Part VII no question is raised that this $1,300,000 was productively spent and that it was to society's splendid advantage that it was so spent. Our question relates only to how it is accounted for.

Vitality Increased, Mortality Decreased

An estimate of lives saved, money saved and energy released by Rockefeller health education and its stimulation of organized taxpayers to fight against disease would run into millions upon millions of lives and billions of dollars.

Yet only the surface of health education has been scratched and the Foundation and its sister Rockefeller foundation keep on financing traditional kinds of work that a little research might show to be headed the wrong way.

Numerous important questions remain un-researched such as how far makers of clothing and food and purveyors of recreation are sharing responsibility with health departments for lowered mortality and increased vitality.

CHAPTER 72

WAR-TIME GIVING EXAGGERATED

WITH over $130,000,000 to spend as they believed best was there nothing which the Rockefeller foundations could have done to avert the World War of 1914, or once war started to help our nation and other nations think more providently about the successive steps to follow such an earthquake?

When it was too late, President Woodrow Wilson said that publicity in June and July, 1914, would have prevented the war that killed 9,000,000 soldiers, maimed 13,000,000 more, wounded 21,000,000, cost $400,000,000,000 and nearly wrecked civilization. Was there no educational publicity the Rockefeller millions could have done or can do next time? Would they have tried, would they have brought together 100 leaders each from Serbia, Germany, Russia, France, Britain, etc., to consider possibilities if they hadn't been keeping out of the way of Carnegie's peace fund or if they had invited suggestions from world publics?

The peoples of Europe, on the facts as they saw them, demanded war. Czar and Emperor could not, in face of the facts which their masses thought they saw, have prevented war. Nothing but less rain could have stopped the flood and in 1914 from June 28 to August 3 the rain was of falsehood, exaggeration, forgetfulness, ignorance and hatred. Only the truth spread among the masses through the press could have stopped the downpour.

From 1915 through 1918 the Foundation, for itself and

Rockefeller, actually spent $18,600,000 on war work of twenty-five kinds: $8,100,000 to the Red Cross; $3,900,000 to Y. M. C. A.; $1,400,000 to Belgium; $200,000 to Knights of Columbus, etc., etc.

Yet from Wilson's *War Message* to Armistice Day this foundation's free balance, "unfrozen" power to spend for emergencies, was the largest in the world, $121,000,000.

It entered the war period with $101,000,000 invested. It closed the war period with over $174,000,000 invested in 1920 and $122,000,000 in 1918.

Instead of using capital for the huge emergent giving which was held out as inducement for a congressional charter, as publicity implied and as Rockefeller advised, the trustees let capital accumulate, as they did facing the Mississippi's unparalleled ravages of 1927.

War-Time Over-advertising

So much publicity was given to Rockefeller gifts during the World War that most well informed people imagine millions were shoveled into different war chests. When the Armistice was signed both Rockefeller foundations had more millions unpledged than they had been given for emergency investment in human welfare. Far from pouring out emergency capital for emergencies they came "money ahead" out of the direst emergency man had known since Noah's Flood.

In midsummer 1917 when war fever was at its highest pitch the Rockefeller Foundation broadcast a special news release entitled *The Foundation and the War*. It started by saying the Foundation had "devoted a large part of its resources to work in connection with the emergency growing out of the war." Not only that but the trustees had voted to do with one-tenth their capital, what they were free to do with half or all of it if they wished, namely use it for this war emergency. What its sister foundation, the General Education Board, thought of this policy for itself in 1920

has already been told. As we have seen, however, the trustees never voted even one-tenth their invested funds, but came out money ahead; the one year when they voted $5,000,000 of capital they received $7,500,000.

Yet in this very same news story another headline read —"Mr. Rockefeller Releases All Conditions of his Gift to Foundation." A letter from Rockefeller is quoted in which he gives the release *"in view of the increasing demands . . . especially those arising in connection with the great war for human freedom."*

Instead of using their freedom for the imaginative purpose suggested by the donor and by their own publicity the trustees *clung to their capital but still reaped world credit for spending it.*

In 1915 newspapers all over the United States printed a statement by Rockefeller's son that his father would pour out relief for suffering Europe no matter how many millions it might take. What they actually gave for suffering Europe —under $2,500,000, less than the son's recent gifts to Europe—would have been a cheap price to pay for the wholesale advertising which their generous professions received. Purchases of Liberty Bonds which became a friend in need, a friend indeed and a splendid investment after high war taxes started, are not counted as war gifts.

CHAPTER 73

BENEVOLENT BARGAINING

FOR several years prior to 1913 Rockefeller agents tried to secure a charter from congress for a $100,000,000 foundation. He asked only congressional blessing to do whatever he and his agents might consider "for the wellbeing of mankind." No such sum had ever been given away at one time. No benevolent foundation had any such sum.

A national charter was not needed, or rather all charters are just as national as one from congress except in sponsorship. A special act of congress was desired for its moral effect.

Few surprises of Rockefeller's life have equaled his surprise that such munificence could be questioned. But it was questioned and so seriously, so persistently and so widely that congress didn't dare pass the charter.

Nor were critics limited to people who doubted the motive and suspected Rockefeller of wanting to whitewash his business reputation and affect the government's suit against him which was then under way. Charles W. Eliot, foremost educator and later a trustee of the Rockefeller Foundation under its state charter, opposed the requested congressional charter. So did President Schurman of Cornell, later ambassador to China and Germany. So did hosts of other leaders in education and philanthropy.

As congressional opposition to a Rockefeller charter grew the Rockefeller forces began to bargain. They offered to limit the amount of money; to spend the income and not let it pile upon capital; to limit the term of the foundation; to prevent the control being kept in Rockefeller hands; to make an annual report and to conduct a clearing house for appeals which would give the whole country, including other possible donors, the benefit of information pouring into the Rockefeller office.

For Rockefeller the pledge was published that if granted a congressional charter the Rockefeller Foundation would summarize each year the applications and suggestions received but rejected or not yet adopted. Furthermore a pledge was made to study these applications for possible social lessons of importance and not throw them unstudied into a waste basket.

All these current tests of efficiency—all these current reminders to trustees that the public would compare what they

did with what they refused, all these legal safeguards—were omitted from the charter finally secured by special act of New York's legislature.

Unconditional State Charter

Of this state charter Rockefeller agents and officers publicly testified in 1915 that there isn't anything the human mind can conceive as furthering public welfare which this foundation is not at liberty to do or to finance. It can back campaigns against unions or for unions, against Republicans or against Democrats, against or for capitalists. It can start a chain of stores or newspapers, it can subsidize Billy Sunday or subsidize criticism of him.

The charter requires no annual reports, although since 1915 reports have been made.

No outside audit is required. It has an outside audit every year, however, but does not publish it. There is no reason to believe this audit applies to accuracy of publicity claims or to completeness of reports or to any tests of operation efficiency.

How was the charter secured? Had Rockefeller been seeking legal authority to perpetrate the greatest wrong in history instead of to organize the largest benefaction in history, this charter could not have been slipped through the Tammany-ridden legislature with less publicity. Although his effort to get a congressional charter had been given miles and miles of newspaper space, the state charter was not discussed at all, it was merely reported passed and signed by three or four lines obscurely located in daily newspapers.

Yet its powers were precisely as great as if by special act of congress. Whatever reasons justified Rockefeller's accepting numerous proposals which had been made by congressmen, educational leaders and specialists in philanthropy remained just as valid when New York came to grant a charter. They were not whispered and they were not included in

the charter. They have never been added to it. They have not been acted upon except as to annual reports and outside audits.

Why a Huge Fund

As a reason for a fund so large that it startled even professional promoters of private foundations, Rockefeller's agent, Dr. Gates, then chairman of the Rockefeller educational board, said to the world, especially congress, March 3, 1910:

> "Suppose there is a great earthquake somewhere with tens of thousands of persons suffering. The directors of the foundation could vote any sums thought necessary for the relief of the afflicted and continue this help as long as required, withdrawing it when not needed. This could not be done with an ordinary gift or bequest."

Yet when an earthquake came, greater than any imagined by Dr. Gates, the Foundation allowed its capital to increase and came out of the World War with a larger permanent fund than it took into the war period. In 1927 the Mississippi's devastating floods did not start a flood of help from this great reservoir.

When urging this great foundation upon congress, Dr. Gates said Rockefeller had in mind six phases of help for advancing civilization: "means of subsistence; progress in government; language and literature, philosophy and science; art and refinement; morals and religion." In 1927 the Foundation spent $11,000,000 of which 96% was for health work and 4% or $324,000 for research fellowships and special researches, mostly along biological and neurological lines. For means of subsistence, language and literature, art and refinement, and progress in government other than health fights against transmissible diseases like hookworm and malaria, no part of its $9,000,000 was spent. For Mississippi Flood consequences $200,000 was spent on county health reorganization!

That Rockefeller himself did not fail to see in 1914 part

of all the World War would mean is indicated by his refusal to buy war bonds of fighting nations. His most intimate friend in Cleveland said he refused because he abhorred war.

If the Rockefeller foundations had spent liberally of capital would the Lord have replenished the widow's cruise?

Tardy Trivial Flood Help

A CASE in point is the Mississippi devastation of 1927, which Herbert Hoover called "America's greatest disaster." Over 600,000 flood victims were crying for help the week the two rich Rockefeller foundations held their annual meetings. Over 600,000 flood victims were known to need food, clothing, cattle, homes, rehabilitation of soil, new courage and most of all plans for protection against future floods. Their problems needed study and reiteration—their health, their states' ability to help, their relation to congress and the whole country's obligation to see and to serve.

Will Rogers, in pleading for nationwide coöperation, said that if 600,000 people were in distress in the east $50,000,000 would be raised over night. He wanted the Mississippi's victims aided "even if they are not Armenians. They can't help their nationality." No criticism ever made of Mr. Rockefeller's business methods was so unfair to him as for his foundations holding over $300,000,000 of principal alone to find and announce no way to help 600,000 fellow citizens deluged by water and despair.

It was not fear of pauperizing the public that locked foundation purses. It was lack of program, lack of ideas, lack of imagination, lack of accountability to any one under heaven, lack of hard work and necessity to work, lack of free expert discussion, lack of outsiders not hoping to get foundation favor.

Showing how to deal with such a big situation in a big enough way would have been an infinitely greater service to humanity than giving millions to rich state universities or

private colleges with enormously rich trustees and alumni.

Even in his eighty-eighth year Mr. Rockefeller, if consulted, could while using but a small fraction of his business acumen have suggested ways to help that would have electrified the nation—and incidentally brought $10 to his foundations for future imaginative use to every dollar spent then in mobilizing thought and money for flood relief. As shown above, it was to be able to help and lead in such a catastrophe that he justified his $100,000,000 proposal of 1910.

Idea-Floods Available

In such emergencies if foundations really cannot see any places to take hold, an invitation to editors, engineers, health officers, nurses, business men and general public would bring floods of usable ideas worth more than foundation money.

Asked by newspapers in May, 1927, what it was doing in the flood disaster the Foundation first said it was doing nothing and planned nothing but had received many requests for coöperation from health officers in the flooded area. When in early June the New York *Sunday World* requested comment on an interview suggesting possible money gifts and especially idea-gifts and service-gifts, it said it never replied to criticism. After reading proof of the *World's* interview it promised a statement, which statement turned out to be not from its president but from the United States surgeon general.

That official statement was a "blurb" and was worth millions to Rockefeller prestige. Without specifying a dollar or a service further than "a [belated] personal visit to the flood area" by a Rockefeller agent, this government statement was so worded that the *World* gave it the heading

Rockefeller Foundation
Fights Epidemic Peril

The private foundation was given credit for an even more important rôle than the federal government, which "also"

made funds available, and a far more important rôle than state and county and city health authorities. The $200,000 spent and the $1,050,000 more pledged for future health work if counties earn it were but "chicken feed" compared with the value to Rockefeller prestige of such advertising.

Nothing in the statement explains why this announcement was timed to serve as a substitute for a statement promised by the Rockefeller Foundation; why the inspection tour by the Foundation's agent ended the middle of June instead of two months earlier; why the federal health officer should have said "After you, Alphonse" to a private foundation; or what the Rockefeller Foundation contributed of personnel or ideas or money to warrant government obeisance to it. Imagination seemed paralyzed on all the Rockefeller boards.

Supposing when the flood's devastations began the Rockefeller Foundation had reminded the country what the epidemic dangers were. Supposing it had described the rôles, and perchance the needs, of federal, state, county and city health organizations if each was to do its full part. Supposing it, as the world's greatest emergency light tower and treasury, had made sure that the magnitude of the problem was grasped by governmental and private leaders—wouldn't it more nearly have earned its title to leadership?

Giving halos where they have not been earned, extolling foundations for service by taxpayers' agents, can easily paralyze initiative and self-respect more prodigally than accepting alms when amply able to pay private or state bills.

CHAPTER 74

LABOR SOURCES OF ITS INCOME

TWO distinguished trustees of the Rockefeller Foundation—A. Barton Hepburn, banker, and Charles W. Eliot, educator—were summoned by the industrial relations commission of 1915. At the time there was strife and blood-

shed in two industries from which Rockefeller and his foundations were securing income. Both trustees were asked if they thought it the duty of benevolent and educational foundations to concern themselves with the labor conditions out of which their incomes were harvested. Both declared that they did not consider educational and benevolent foundations under any moral obligation whatever to concern themselves with the conditions of labor from which they derived their income.

Neither trustee believed that the large resources of Rockefeller foundations constitute a possible menace. Neither believed regulation or supervision of them necessary.

Big giving makes apologists of us all; it blinds our vision; it distorts truths which come straight to us at other times. Before he was trustee of the Rockefeller Foundation, Dr. Eliot protested against giving any group such a charter as its present charter. One whole area of civic problems was shut from his vision by official connection with foundation giving.

Ten years later the question of foundation responsibility was raised again in a dramatic way and Rockefeller trustees again answered by their conduct that it was none of their affair how the business was conducted from which Rockefeller foundations gain their income.

The United States government was suing non-Rockefeller oil interests for the cancellation of the Teapot Dome leases on navy oil reserves. The government believed it could prove that the Sinclair lease was secured by fraud. It wanted the chairman of the board of directors of the Standard Oil Company of Indiana as a witness. It sought his aid. It could not find him. He had gone abroad. He stayed abroad throughout the trial. Day after day the *New York World* appealed to this particular officer, Robert W. Stewart, to return and help his government. He found it impossible to return for help in either of the oil cases until the second day after it was too late to help the government.

Commenting upon this, the *Sunday World* noted April 18, 1926, that the Rockefeller Foundation reported ownership of 461,000 of 8,950,000 shares outstanding of the Standard Oil Company of Indiana. (The General Education Board for the same year reported 31,000, making a total of 492,000 or 5.5% not counting Rockefeller's personal holdings.) This ownership, the *Sunday World* maintained,

"should place the Rockefeller Foundation in a position to exercise an important influence on the management of the Standard Oil of Indiana and in the direction of its affairs. To its ownership [of so many shares] attaches a certain responsibility. . . . Over the actions of other oil men the Rockefeller Foundation may have no control, but its relations to the chairman of the Standard Oil of Indiana are wholly different. Is it a matter of no consequence whatsoever to the foundation and members of its board individually that Mr. Stewart betook himself from this country when the government sought him as a witness? How is their long silence in this respect to be construed?"

As this editorial reminds us, the influence of a foundation is not limited to its philanthropic work. For example, if this witness who absented himself withheld information which would have helped the government recover oil wells belonging to the nation and obtained by fraud, it is quite conceivable that the harm done the world by crippling our government in this way would outweigh any benefits done the world by the Rockefeller Foundation. Extreme as this supposition is, it must be remembered that the supreme court's decision in these oil suits is that *oil needed for our country's protection in time of war was fraudulently and illegally turned over for private profit.*

The second fear in the editorial is that a foundation and its influential trustees from college boards and leaders of public thought would, for a money reason, cripple their government and obstruct justice.

Finally, the *World* asks the Rockefeller foundations to

be exacting about the source of their own funds, however indifferent they remain institutionally to the way in which their capital was obtained and to current business practices in which they do not hold stock.

Model Stockholders Needed

HERE again, the student of public affairs is confronted with the kind of thinking which Theodore Roosevelt, then president, analyzed in his Provincetown speech of 1907. He recalled that it was the practice of malefactors of great wealth and their apologists to cite acquitals in courts as certificates of character and as proof of altruistic and strictly honorable dealing. Of this thinking he spoke as earlier quoted.

As in the case of Rockefeller and the iron mines, it is easy here for a foundation to disclaim responsibility on the ground that it owns only one share in twenty. It can say, as the Rockefeller foundations did say from 1922 to 1928, in effect:

> "We have only 5% of the shares. We have no legal power to require that officer to return to this country. We have no personal knowledge of this case. We have not even been asked by the federal prosecutors or the president of the United States to intervene. With the evidence we now possess, this is plainly, at least technically, none of our business."

That argument is copper riveted. Technically, the foundation is in just as strong a legal position as Cain was when he asked, "Am I my brother's keeper?" Morally and socially, it seems equally clear that either benevolent foundations must be legally deprived of the right to hold stock in industrial enterprises, or else accept responsibility for acting as an ideal stockholder in representing the ethical standards of the day, whatever the legal prescriptions may be.

CHAPTER 75

ABANDONED MEMORIAL FUND

LIKE a meteor the Laura Spelman Rockefeller Memorial flashed across the begging sky. It was in memory of Rockefeller's wife. Started in 1924 it was swallowed by the Rockefeller Foundation in 1928. When it gave up the ghost it had $85,591,000 of which $9,965,000 was pledged to others.

No clear line ever existed between this baby in Rockefeller's foundation brood and its elders, the Rockefeller Foundation and the General Education Board. Like them it gave money for research, for child study, health work, colleges and universities. Its last year it gave to thirty-two colleges and universities.

Starting out as an agency through which the more personal gifts of Rockefeller, but particularly his wife, were to be continued and for which a reservation of $2,000,000 a year was initially made in the funds given the Rockefeller Foundation . . . it quickly became a sort of easy mark or catch all, representiing no principle or field.

Because as administered it had no separate raison d'etre beyond memorializing Rockefeller's wife and the son's mother it was "scrapped," as Rockefeller earlier scrapped oil refineries which deflected energy and lime light from his central company as soon as the shielding or advertising value of a separate organization had been exhausted. Not even Rockefeller's wife is to share future halo with Rockefeller for lavish giving. The snuffing out took place eighteen months after the manuscript of *Rockefeller: Giant, Dwarf and Symbol* was submitted to the Rockefeller office with its evidence that no principle separated the foundations.

The president of the memorial was Rockefeller's son. Payroll members constituted the majority of the board. Financial

and administrative control was always actually "in the family."

Efficient Philanthropy Flouted

FEW principles of modern philanthropy were not violated by the memorial's method of questioning, giving, refusing, reporting. If there ever was an outside audit reports failed to show it. Lapsed or unearned appropriations were not reported.

Investments were never listed. Totals for management costs—$81,000—$155,000, final $240,000—were so low as to be prima facie proof that an $80,000,000 fund was handled without adequate study before or after giving. Yet in view of the notorious small pay of executives, notorious superficial study of requests and notorious delegation to others of responsibility for giving and rejecting the management costs were enormous.

Budgeting essentials were violated by large unclassified contingency or grab bag appropriations of $3,000,000 and $4,500,000 to $8,800,000.

What if any interest was received on bank balances of over $50,000 and demand notes reported as over $2,000,000 up to $4,727,000 was not stated.

Never did reports show the public what work was to be done by the agencies helped or with what efficiency it was done. Opportunities refused were never mentioned, Rockefeller's spokesmen insisting that this key test of impartiality and efficiency is "none of the public's business."

The swan song of this memorial fund summarizes gifts during its two last years. They totaled $51,753,000 for 79 agencies in 1927 and 96 in 1928. Of the total $27,500,000 was for twelve special memorials in the name of Rockefeller's wife.

The editorial references to the two years' gifts that totaled nearly $52,000,000 took twenty-one lines. The entire editorial statement as to dissolution, the future of causes helped

and the nature of work done took thirty-six lines. Earlier reports contained no evidence of ten minutes' attention to the account of stewardship by any one higher than a clerk.

Contempt for Public Opinion

EQUAL contempt for public opinion has seldom been expressed since the early days when Rockefeller dodged subpœnas and refused to respond to question or criticism. This time the contempt is a repudiation of Rockefeller himself, for he has been contending that his representatives were making good his contention that his fellow citizens are partners in his foundation giving.

What has been accomplished for the public by this memorial through the agencies helped in return for the influence and adulation reaped by Rockefeller as the country's educators and social workers have played chameleon to Rockefeller's son and his agents for memorial favor?

Not a fact is given.

What truths are being sought? What truths have already been found? What problems are being studied? What burdens are being lightened? What "good" is being done?

Not a ray of light.

What methods are being used that might be emulated by hundreds of agencies similar to those voted these Rockefeller millions and quite as competent?

Not a ray of light.

What requests were rejected? What were the reasons for making exceptions of the 84 beneficiaries outside the family in 1928 and what parts of their entire programs were financed by Rockefeller funds?

Not a ray of light.

Not even by figure of speech may this be called efficient reporting or efficient giving.

It is an open question whether such giving and reporting

do not enhance Rockefeller reputation and Rockefeller power far more than they help society.

A report like it by an agency spending $5,175 instead of $51,753,000 would instantly disqualify that agency for even serious consideration by the National Information Bureau or the award committee of a community chest.

What the net effect is upon society of encasing the untaxable personal wishes of a donor within the trappings of an ostensibly independent board of trustees is shown by *Rockefeller the Symbol.*

CHAPTER 76

ROCKEFELLER INDIAN GIVING

ROCKEFELLER'S first big giving was to the Baptist denomination. His gift went out of his control. His earlier gifts for general education also left his control, but only for a short time. Of the $32,000,000 announced by the General Education Board in 1907 as the largest single gift in the history of mankind, he himself disposed of $23,800,000 to two other Rockefeller agencies. All his other enormous gifts have really been given to himself, for they have never left his control.

On the original General Education Board which applied to congress for a charter in 1902, there was but one Rockefeller agent. After Rockefeller pledged $100,000 a year for ten years and before the charter was passed, two more Rockefeller agents were added but without public announcement. In 1927 there were seventeen trustees of whom twelve were present or former office employees or else, like a former president of the University of Chicago, so intimately identified with Rockefeller that they were to all intents and purposes members of his personal staff. Four others were connected with institutions which have received large gifts from

this fund and one was president of a college board which has been largely helped by it. Only two of seventeen trustees on this Rockefeller board can by any interpretation be considered independent of Rockefeller. There is no reason whatever for believing that the conclusions of the board differ one millimeter from the conclusions by Rockefeller's son or one of the Rockefeller agents.

There is circumstantial evidence that the board itself never reaches a conclusion. The report which goes to the public is submitted *to* the board *by its officers*. No member of it as a member signs the report that goes to the public. In 1915 it was officially admitted that the board members did not see the report before the public saw it, and that Rockefeller's personal publicity agent, without authorization or knowledge by the foundation trustees, broadcast news stories about the board's work during its first twelve years.

Trustees are not kept currently in touch with educational progress by their officers, partly because their officers do not take steps to keep themselves currently in touch, but largely because it is not the plan to take blinders off the trustees. Almost any small city school board is kept better informed about its responsibilities.

Without the public's realizing it, there has been a very decided change in the character of the General Education Board. When the board started it consisted of a big department store head, a lawyer, two editors, a university president, a big banker, two magazine editors, and Rockefeller's Dr. Gates. Excepting Andrew Carnegie, whose membership was perfunctory as a personal favor to Rockefeller, no business man was added to the fund from 1905 to 1925. After the first death, Rockefeller's personal counsel filled the vacancy. Then the University of Chicago president was put on. Rockefeller's office soon became the board.

No longer is it true, as claimed by Rockefeller trustees when he was seeking a congressional charter for the Rocke-

feller Foundation, that they are "men of wide vision, men of wide experience and of sound wisdom, and men of enthusiasm willing to give freely of their time and strength to the public service. None receive a dollar for their work."

No longer is the board selected, as stated in the first report for 1902-1914, "with distinct reference to the varied and weighty responsibilities involved." On the contrary, as their status shows, they are clearly selected with distinct reference to keeping control in Rockefeller Junior's own personal office.

To-day the officers—all paid employees, only one of them having had field experience and that not in education—may vote the board's funds. The chairman of the finance committee—as of all other Rockefeller foundations—is Rockefeller's son, making with paid employees a majority.

If the only active business man on the board, Owen D. Young, knew as little of the reports issued in his name about his international corporation, the General Electric Company, as he is permitted and enabled to know of the Rockefeller educational reports he sponsors his prestige as a financier would be a morning glory.

Lest the Giver Be Greek

THE regents of the University of Wisconsin voted in 1925 not to accept $14,000 offered by a Rockefeller foundation for research. Immediately a hue and cry went up from editors and alumni, especially in New York. The state regents were attacked as unreasoning enemies of progress. It was prophesied that research there and everywhere would suffer if gifts from private foundations were rejected.

Chief among defenders of the regents was the popular writer, Zona Gale, herself a graduate of the University of Wisconsin and a Wisconsin taxpayer.

The charges against Wisconsin regents contained assertions like these:

1. "State legislatures will not vote tax funds for pure research, i.e. for research that does not have to do with money-making or immediate service." The truth is legislatures have been making huge sums available for pure research.

2. "Faculties paid by states will not be allowed time for research unless outside funds are accepted." The truth is that state faculties have been allowed so much time, Wisconsin included, that like milk fed cats, faculties have lost zest for researching. Wisconsin's own teaching schedules of 3-6-9 hours a week are avowedly to free time for research.

3. "States which have not been receiving private funds have not been conducting research." Wisconsin's own record, and a score of other states, prove this untrue.

4. "Research costs more than farmers can afford when road costs often exceed farm values." The fact that farmers have been affording research proves this untrue.

5. "There is no evidence that educational endowments from foundations have been other than helpful." Failure to produce evidence need not mean lack of evidence but rather lack of knowledge.

It is significant of Rockefeller psychology that when the public is discussing a question of this kind pertaining to his foundations, Rockefeller agents remain silent. With plenty of money and plenty of time to establish the facts so that even a carping critic can't deny them or confuse them, Rockefeller boards stay mum as if guilty. Of course they do not feel guilty, but they have contempt for or mistrust of the public's ability and willingness to be guided by the facts.

Just think what the effect would have been, while sycophantic editors and professional educators were resorting to disingenuous when not dishonest criticism of regents or of Rockefeller, had Rockefeller boards walked into the open and said:

1. "Instead of its being true that our great sovereign states will not vote tax funds for pure research, the very contrary is true, as shown by tens of millions of dollars that state law-

makers have made available to state universities for pure research in the last twenty years. One of the reasons why the Rockefeller board voted money for a state university study has been to supplement state funds and to encourage their increase.

2. "Instead of faculties not being allowed by states to spend time on research, the time schedules of comparable great universities show that more time is allowed for research in several state universities than in leading private universities.

3. "Instead of research being limited in state universities to those who have accepted private funds, an infinitesimal part of research in those universities has thus far been due to private funds. It is not true that most research money must come from foundations.

4. "Instead of farmers being unable to afford or thinking themselves unable to afford research, it has been true in state after state that farmers have been most liberal to research when helped to see its benefits. Wisconsin's own faculty maintained as long ago as 1914 that the net cost of its research that year was $309,000.

5. "Instead of its being true that educational endowments from foundations have never been other than helpful, we frankly admit that there are cases where foundation conditions have hampered education. We are doing our best to avoid such conditions and shall be glad to coöperate in drafting conditions that will make impossible any harmful interference by foundations. Instead of being aggrieved by the attitude of the University of Wisconsin regents, we welcome it as an evidence of an independent spirit that should mean a great deal to public and private education."

Such a statement would have helped pure research more than any funds the Rockefeller boards could vote.

Efficiency in Appealing Untaught

NEVER in twenty-four years has either the General Education Board or any other Rockefeller foundation made public any analysis of appealing methods which would show the strong and weak points of appealing for public support. Many a college has lost its chance for a huge Rockefeller

gift due to a clumsy approach; the same educational facts, differently stated, would have won gifts.

It is more than likely that scientific research and publicity applied to the salesmanship of different kinds of appealing would have done more to help the colleges and charities of the country than has Rockefeller's conditional giving.

In its special volume on *College and University Finance* which took six years, the word appeals is not indexed. The idea of it does not appear in the contents except in a paragraph which states that the cost of raising money for endowment ought not to be charged to current expenses and another paragraph disparaging other contributions than endowment.

Although raising the money is quite as important a part in college finance as accounting for it, this opportunity for service was not taken. In the staff required for the business department of an endowed college of moderate size no provision was suggested for an educative appealing service. In fact its whole model is based upon the assumption that a college shall get endowment, keep it and live within its income plus a tuition equal to 35% the total cost, whatever its clientele's susceptibility to appealing and ability to pay for service obtained.

Inefficiency In Spite Of High Value

As an oil man Rockefeller was not satisfied with a big dividend. He never said "let well enough alone." He was unhappy unless getting all out of oil that could be gotten so far as his studies showed. His successors have proved that his studies did not go far enough into efficiency and possible profits, but he did not disdain any possibilities seen.

As a giver Rockefeller has let well enough alone. To an economist-interviewer he said:

"If in all our giving we had never done more than has been achieved by the fine, able, modest men of the Medical Institute it would have justified all the money and all the effort we have spent."

For generations haphazard giving to beggars used similar apologies for not comparing results with utmost possible results. "I'd rather give to a dozen frauds," the self-indulgent apologist says, "than let one worthy person go by unaided."

The fallacy of this apology has been exploded. Rockefeller has helped to explode it. For many decades he has not given a stingy dime or a dollar to a mother who needed hospital care. Instead he has insisted that causes of individual poverty and distress be learned and removed.

Rockefeller's big giving has escaped the same test. A discovery by his medical researchers may be worth more in money than all his gifts, but no matter how valuable to mankind, it cannot remove his accountability for using his other gifts in the best way that modern social and business skills prove possible.

The Key Weakness

THE key weakness in Rockefeller's giving for education is the silence of the silent partner, the public. Nor is all that silence achieved. Most of it is thrust upon it. There is no invitation to speak, no evidence that it has spoken or been listened to if it has spoken.

Yet the responses to one invitation from Rockefeller foundations for helpful suggestion and criticisms might easily show how to double or quadruple the efficacy of Rockefeller giving.

Instead of tapping all available reservoirs and springs of suggestion, the officers announce to the education board that colleges will no longer be helped toward general endowment.

Instead of printing available facts about full-cost tuition or at least almost-cost tuition in a way to stimulate action

by hundreds of colleges, the officers suggest that "some other means than gifts" must be found.

Instead of inviting suggestions for educational work needed in agriculture, science teaching, forestry and industrial arts, the officers say they have some one looking into the possibilities.

If the General Education Board receives any facts or ideas from college faculties or interested citizens, it does not tell its silent partner, without whose understanding its work must also run like a motor at night when without oil or headlight.

It has even failed to help colleges see the need for and possibility of money support by their own alumni. Instead it says flatly, but unsoundly, that current gifts are hardly worth working for. Hence the unedifying spectacle of 30,000 alumni of Columbia University giving $39,116.89 from the unearned increments for their alma mater's expenses, 1925-26. Fewer than 9% gave anything. Yet college finance experts claim for advertising purposes that the average graduate of all colleges finds his having gone to college worth $72,000 and therefore the unearned increment of Columbia's alumni was $2,160,000,000!

CHAPTER 77

WITHOUT HONOR IN HIS OWN COUNTRY

NO Rockefeller title is clearer than his title as pioneer promoter of the community fund or benevolent trust idea. He first threw that idea upon the screen and he backed it with tens of millions of dollars before others followed his example.

Yet just a few doors away from his world-famous former headquarters at "26 Broadway" is the New York Community Fund which acts and talks as if it never heard of

him. It is endorsed by leading lawyers, physicians and philanthropists. It issues propaganda for elastic and imaginative giving which will each year and each generation be fitted to human needs rather than to testators' fancies and prejudices. It never mentions Rockefeller's ideas, his books, speeches, examples or services.

It pays acknowledgment to the Russell Sage Foundation of 1907 and to the Cleveland Foundation community trust but it confesses no sign of indebtedness to Rockefeller.

Long before the community trust was organized in Cleveland, Rockefeller had made speeches and even written a book to show the value of a benevolent trust. He had a whole chapter on the "Benevolent Trust, the Value of the Coöperative Principle in Giving." He said his General Education Board, started in 1902, was formed for the purpose of working out in an orderly and rather scientific way the problem of helping to stimulate and improve education in all parts of the country, "with records open to all." Declaring that many benefactors were availing themselves of these disinterested inquiries, he said he hoped more would do so. Here is his picture:

"The benevolent trusts when they come will raise these standards; they will look the facts in the face; they will applaud and sustain the effective workers and institutions; and they will uplift the intelligent standard of good work in helping all the people to help themselves."

In closing a speech in 1903 at the decennial anniversary of the University of Chicago, he threw away his prepared speech "and started to plead for the benevolent trust." This was his peroration:

"Let us erect a foundation, a trust, and engage directors who will make it a life work to manage with our personal coöperation, this business of benevolence properly and effectively, and I beg of you, attend to it now, don't wait."

Yet after all he has given away, the promoters of community trusts in his own two home cities and over fifty other cities ignore his pioneering. To Julius Rosenwald in 1929 rather than Rockefeller will be credited the country's awakening to the social wrong of "freezing" gifts into permanent endowments, despite Rockefeller's earlier avowal of the principle. Rockefeller is a prophet without honor in his own special country, the land of giving.

In twenty-four years only one human being besides Rockefeller himself has left funds in trust to Rockefeller's General Education Board and only one small fund has amalgamated with it, the John F. Slater Fund. Miss Anna T. Jeanes left a fund of $200,000 in 1906 for negro education.

Contrary to the impression written by Rockefeller six years earlier his Board testified in 1915 that no inquiries had been received from persons contemplating large gifts to education.

An annual listing of those opportunities for wise giving which come to his foundations, and the simple change of leaving the fund in the hands of a board entirely independent of Rockefeller would undoubtedly have brought inquiries by the thousands.

Because Rockefeller's foundations have neither advertised alternatives for giving nor set examples of carefully weighing alternatives they have not helped either communities or donors as Rockefeller saw they could and expected they would. The public, including will-makers and endowers of foundations, might by this time have been educated in fitting gifts to need and opportunity. Instead, obsolete and low-dividend philanthropy all over the country is more deeply intrenched than a generation ago when Rockefeller flung high his banner of coöperative and constructive giving. Expert testimony from Rockefeller's own office supports this conclusion. October 6, 1929, Mark M. Jones, a Rockefeller investigator, said through the *New York Times:* "Putting it

conservatively less than 15% of the $250,000,000 which American business spends for philanthropy could stand the test for responsible giving."

CHAPTER 78

WHY ROCKEFELLER GAVE

ROCKEFELLER'S own most complete statement of why he gave hundreds of millions to foundations is in two chapters of his reminiscences. He gave because he found more pleasure in giving than in any other spending except for employing large forces in profitable, serviceable industry. His latest statement was before the industrial relations commission, February 6, 1915: "The sole motive underlying the various foundations which I have established has been the desire to devote a portion of my fortune to the service of my fellow man."

The "psychographer" of the future who gamalielbradfords Rockefeller will certainly suggest that if the sole motive had been service to his fellow man Rockefeller would not have attached his name to a university founded by a religious denomination; to an educational board founded by nine men interested especially in southern education; to an institute of medical research; and to a foundation intended to develop "into impersonal form my own personal plans for giving." When the Rockefeller Foundation intervened in 1914 in the public discussion and investigation of Rockefeller's personal treatment of Colorado miners, there certainly was some more personal motive than service to fellow man.

As so often happens with Rockefeller disclaimers and avowals, he doth protest too much. His fellow men would have preferred a fellow-man admission that by serving mankind in the foundation way he wanted the reputation

for the good he did to live after him and wanted some personal thrills and laurels, some abiding satisfactions, some reminders of power and zest of achievement that he did not know how to find in other ways. No man need justify his wanting to rid the world of malaria, hookworm and yellow fever.

He Had An Artist's Right

ROCKEFELLER was entitled to the artist's desire to have the world know who painted an immortal portrait. Rodin would have done less creative work had he expected his works to be branded John Smith or Anon. Edison has made more inventions because his time and posterity could distinguish between Edison and ten dozen colleagues. Caruso's voice upon a Caruso record had a quality it would have lacked if the record had not promised to perpetuate the singer's name as well as his music.

Rockefeller's ability to picture the services his money might be made to render mankind was heightened by his picturing a Rockefeller leadership. His not giving his name to the University of Chicago but merely adding "founded by John D. Rockefeller" accomplished three purposes: it advertised his modesty; it made it easy instead of next to impossible to get large gifts from other rich men; and it permanently tied his name to it.

A thrifty purpose to evade income taxes may have heightened the momentum of other motives but he offered his $100,000,000 for a foundation years before an income tax was seriously broached.

That Rockefeller gave to help his fellow man is proved by the way he gave.

If his motive had been chiefly restitution, both the public and his conscience would have been satisfied with vastly less than four hundred million.

Had he merely coveted his own generation's applause

his common sense and his daily observation would have told him a thousand shorter cuts than working through theoretically impersonal foundations.

Had he sought recognition from the mighty, he could have bought it for one million strategically placed where he has given five—and in spite of Andrew Carnegie's competition. Colleges and universities would have invented new degrees in order to have some reason for decorating him.

Had he wanted to bring pressure upon teachers of economics, sociology and politics the way was easy and under cover. Without lifting a finger and while scrupulously avoiding interference with doctrines, he has already powerfully influenced the way social sciences are taught.

He could easily have had his name on more private and public buildings than carry Andrew Carnegie's name.

He could have had himself given the keys of a thousand cities and been tendered bouquets by a thousand scientific and civic bodies.

Three Motives, Two Svengalis

It is clear that Rockefeller gave because he wanted to give long after the public had given him all it had to give. His last three hundred million dollars in gifts have won him paltry increments of personal fame, forgiveness or sympathy.

Rockefeller giving is a monument to three motives: a desire for other results from giving than personal gain of anything more material than satisfaction unseen by others; a conviction of having added to the universal heritage; and a master builder's thrill to the picture of power and the joy of creating, of "making the works go round"—to use a favorite business phrase of his.

Rockefeller's giving represents a stage in evolution which few givers have reached and which is as hard for self-indulgent givers to understand as for jazz addicts to enjoy

Beethoven and Wagner, but its ideals will in time become classic. Giving with the mind to increase opportunities for human efficiency is infinitely more satisfying because infinitely more serviceable and artistic than giving with gulps and heart thumps to gratify a momentary or chronic but essentially self-centered emotion.

For one final reason Rockefeller gave, because his two Svengalis, his Dr. Gates and his son, trained his check book's voice. If he thoroughly understood his giving, he gave too much, because he gave and abandoned his right to keep on giving himself with his gifts.

PART VI

The Champion Symbol

79. What Rockefeller Symbolizes

80. Wealth's Magnet Power

81. Advantages and Dangers of Big Business

82. Dangers of Foundation Giving

83. The Menace to Democracy

84. An Interstate Gifts Commission

85. A Conservative Program

86. History's Incompleteness

87. Society's Evolution

88. Evolution Backwards

89. Man's Greatest Coöperation

CHAPTER 79

WHAT ROCKEFELLER SYMBOLIZES

ROCKEFELLER is a symbol of modern life's routines and extremes, its rules and its exceptions. Every little village has a Rockefeller all its own, for Rockefeller is the full-length mirror of his time.

Had he never amassed the world's greatest fortune, even then the battles he experienced, won and lost would symbolize resources, temptations, appetites and obstacles more interesting than fiction and more representative of American life than *Babbitt* or *An American Tragedy*.

Had his giving been only of the ideas he now personifies rather than of untold wealth he would still symbolize forces that man needs to understand.

Because he has had the battles and won them, has made the world's biggest fortune and given it away and is thus far the last word in fortune building and money giving, his simple annals have an audience denied to other men. What he symbolizes is of universal concern and all but universal interest.

Rockefeller symbolizes mother training. Unfortunate in his choice of a father, except for vitality and money-making slant, he was disciplined by his mother to daily habits of action and thought which helped him overcome home limitations and business difficulties.

Rockefeller symbolizes American opportunity. Born in a tiny isolated farm house, reared in rented farm houses far from town and the stimulus of competition and companionship, he became without the help of genius the world's richest

man, greatest money giver and foremost example of co-operation's superiority over competition.

Rockefeller symbolizes America's rapid growth and its inability to improve its coöperation through governmental machinery rapidly enough to prevent a few men from gaining disproportionate unearned increments for their business skill and prowess.

Rockefeller symbolizes business secretly and injuriously in politics and of politics in business both blunderingly and helpfully. When government was corrupt and corruptible because hidden from the public eye, Rockefeller chose huge profits through adaptation to prevailing customs rather than smaller profits through an open public eye. If some one besides all the public was to control the national senators and representatives and state legislators and judges, why not Rockefeller? When representative government meant business representatives Rockefeller's business considered itself entitled to all the representation it needed.

Rockefeller symbolizes obsession, the thing that goes in his sunset days by the name of a fear complex. He feared publicity; the public and his competitors feared his secrecies. He feared public wrath and reprisal as the world feared and still fears his wrath and his agents' displeasure. He feared to turn his research and his coöperation toward government lest he be suspected of unholy designs against government, whereas his holding aloof aggravated the public's fear that he wanted to use government secretly for his own ends. He feared to help by ideas so he poured out money. He feared to act in his own person, so turned his foundations over to agents, who kept him drugged with fear and became addicts themselves, thus losing the leadership his frank attention would have given.

Rockefeller symbolizes democracy's unpreparedness to enjoy and reward the virtues it preaches and teaches. Rockefeller's preference for home over clubs, his thrift, refine-

ment, independence, purposefulness, modesty, teetotalism, domesticity, kindliness, courtesy, simplicity, self-restraint, self-control, reserve—and courage to let the crowd go its way without him—repel popular sympathy more than does his record as a fortune builder. We forgive his taking advantage of us in trade because we would take his fortune away from him by similar methods if our times would let us, but we can't forgive his resisting the temptations that we let block our own success. We resent his aloofness. Like millions of fellow victims he cultivated virtues only to learn that while business rewards them public sympathy does not, and that education has its fingers crossed when it exhorts young people to cultivate them.

Rockefeller symbolizes the use made of others' backs and brains by Success, the leechlike qualities of the practical go-getting mind. A friend and partner, Mr. Flagler, had the business imagination. A lawyer, Mr. Dodd, drew his trust plan, as other lawyers kept his ice thin but flexible. A physician, Dr. Biggar, taught him how to prolong his life. An employee and partner, Dr. Gates, made his second fortune and his plan for a big giving that would drown and drug criticism of his money's source. Necessitous and cupiditous charities, churches and colleges made his halo and kept it suffused with the light of praise and hope.

Rockefeller also symbolizes:

SUCCES A L'AMERICAIN,
the simple life,
time's generosity,
public fickleness,
domestic happiness,
propaganda publicity,

society's venality,
superiority of ideas,
efficient fatherhood,
wealth's magnet power,
life's accidental-ness,

chameleon journalism,
picturesque isolation,
city's debt to countryside,
religion's radical changes,
will makers' unpreparedness,

dividends for secretiveness,
the vicariousness of greatness,
early retirement from business,
mystery's fascination and power,
society's hand to mouth planning,

play's growing popularity,
myths' educational influence,
big giving's glory and menace,
victory's authorship of history,
man's ignorance about big giving,

concentration of mind in business,
preventive wholesale philanthropy,
culture's insistence upon self-help,
gift horses' immunity to criticism,
personality's mixtures and conflicts,

weakness of uninformed public opinion,
giving's abhorrence of efficiency tests,
religion's trailing instead of leading,
variability and fallibility of the press,
character's need for struggle and service,

popular unrepresentativeness of government,
education's popularity and dispensability,
private fortune's returning to public service,
the tendency of the one track mind to shrivel,
environment's part in making men and fortunes,

overlooked opportunities for coöperation,
foundations' popularity with great wealth,
separation of religion from business conduct,
treatment of business and government as games,
unpreparedness and ignorance of party politics,

democracy's inability to comprehend its problems,
citizen ignorance of and inattention to government,
religion's abandonment of intolerance for tolerance,
governmental blundering in execution and investigation,
democracy's fear of great wealth and susceptibility to it,

exploitation of the public with government's help,
need for publicity as to results of social coöperation,
need for early education and persistence of its impulses,
futility of ostracism as a deterrent of brigandage and crime,
the waste of energy which he says is "one of the wanton extravagances,"

the loneliness of independence,
self-interest's evolution from "The public be damned" to "The public be informed,"

the Dr. Jekyll and Mr. Hyde in all of us,

Democracy's urgent need for continuous nonpartisan fact-finding and publicity with respect to the methods and results of popular coöperation through government.

Rockefeller's story is the egg from which a dinosaur age can be reconstructed. Know him and you know the men, the institutions and the forces that in his ninety years have effected greater progress than man showed in the preceding ninety centuries.

To know Rockefeller is to see the greatest problems confronting civilization. By seeing him straight it is easier to indulge the active mind's love of problems to solve.

For convenience in placing Rockefeller the champion symbol in our mental museums and workshops, the innumerable symbols which he personifies are here grouped under seven headings: wealth's magnet power; advantages and dangers of big business; dangers of big giving; need for an interstate gifts commission; history's incompleteness; society's evolution; and man's greatest coöperation.

CHAPTER 80

WEALTH'S MAGNET POWER

IN 1915 the national commission on industrial relations was investigating the relations of capital and labor to one another. Hired gunmen had been shooting strikers and their wives to check violence or threat of violence in Colorado coal mines owned largely by Rockefeller and in his company's New Jersey oil refineries. Among witnesses were Rockefeller, his son and several of their agents.

At his surprise-hearing Rockefeller read his prepared paper but was spared the searching questions planned for him. He was too rich to be asked embarrassing questions.

What questioning might have discovered respecting Rockefeller's sense of his own stewardship was hinted at, however, by the following incident:

The then secretary of the Rockefeller Foundation, Jerome D. Greene, formerly a private secretary in Rockefeller's personal office, and for many years private secretary to President Charles W. Eliot, was testifying. The little hall was crowded. The secretary made a slight reference to Rockefeller's personality. Eyes bulged, necks craned, breaths shortened, auditors sensed the "personal note." The secretary felt the contagion and followed up his advantage as follows:

"Gentlemen of the Commission [meanwhile sweeping the audience with his eyes], that leads me to make a correction which I feel should be made in the public's conception of Mr. Rockefeller's personality. In all my dealings with men of affairs running over many years, I want to say that never in any other man have I seen such simplicity, directness, kindliness, open-mindedness, courtesy to the most remote subordinates," etc., etc., etc."

He had started an endless circle of emotion. The more he lauded Rockefeller, the more excited the audience became; the more obvious its excitement, the more lurid the laudation that came to his lips.

As the tide was swelling, the foundation investigator for the commission, myself, passed the chairman a slip of paper which read: "Ask him how many times he has seen Mr. Rockefeller." The question was not asked. The apostrophe widened and deepened and soared. The investigator leaned forward and whispered the suggestion. The chairman said: "Why, I can't do that! Don't you see the feeling of the audience?" The answer that he couldn't afford not to do it led to the following dialogue:

Chairman: "Mr. Greene, it has been suggested to me that I ask you how many times you have seen Mr. Rockefeller—say this last year."

The secretary [nervously pulling down his vest and looking around the room]: "W-e-l-l, this last year I think I did not see him at all."

Chairman [who now saw that the question was needed]: "Then please tell us, Mr. Greene, how many times you have seen him in all these years of intimate association?"

Will the reader please guess how many times the secretary of a benevolent foundation having over $100,000,000 had seen Mr. Rockefeller before elevating his employer "incomparably above other men" whom he had encountered in all his "many years of contact with men of affairs," including Charles W. Eliot?

Exactly twice! Once at a business conference that had lasted ten minutes; and once at a social dinner where, among twenty guests, the secretary was ten chairs removed from the object of his public adulation!

Magnets Need Not Move

So long as a Rockefeller lives, at least so long as Rockefeller fortunes rise like skyscrapers, the rest of the world

will find its judgment blurred, as was the secretary's, by self-interest. In 1927 a house guest's apostrophe was given wide circulation. It extolled Rockefeller's tolerance, the guest being a Catholic priest and frequent golf companion. This was the peroration: "If Rockefeller had not been a great industrial leader he would have been a great artist, for he is a man of deep emotions, of great consideration, of broad and apparently unlimited vision." Quite in keeping was it for the biographer of Napoleon and Bismarck, on the verge of writing an authorized Rockefeller biography of Rockefeller, to find Rockefeller "one of America's four greatest men . . . taciturn and mysterious."

Money is a magnet. Like a magnet it need do nothing, it attracts by just being.

Just as a new stationary diamond field or oil field starts thousands running toward it in the hope of getting wealth and opportunity out of it and its environs, so a new benevolent foundation or a new giver-on-a-large-scale or a new "finance wizard" starts thousands running toward the source of possible profit.

Profit seekers "play the game," whether drilling for oil or drilling for gifts. The well doesn't have to do a thing but wait, its influence is generated by and inside the prospectors. Similarly, the giving foundation doesn't have to do a thing but let prospectors generate influence for it by and inside themselves.

The more the money the bigger is the magnetizing area and power. An electrical magnet with a magnetized surface of ten square inches exerts a vastly greater influence than three smaller magnets totaling the same surface. One foundation of seventy million dollars has greater power to attract than seventy foundations having only a million each, though it may not exert a more beneficial influence. One control of a half billion in foundations means far greater power than one hundred foundations of five million each. One fortune of

a billion means more power than ten billion in separate fortunes.

Being a magnet, enormous wealth in foundations need never take the aggressive; others' cupidity will do the jumping necessary to seek their own profit.

Enormous wealth's possessor, even if only by inheritance or a quake of nature, suddenly becomes endowed with a wisdom and a grace never before suspected. Newspapers seek his opinion on matters respecting which he is densely ignorant; if less generously endowed with horse sense than Rockefeller, he "bites" and makes a fish of himself. They extol his golf score and only a funny column has space or face to protest: "The chap who called Rockefeller's 45 'not so far from par' is the same judge of distance as the one who named it near beer."

His agents and even his acquaintances have wisdom and influence thrust upon them; their opinions are deferred to, no matter how valueless; they are elected to social clubs; they are given academic honors. His activities, his quasi-personal fringe, especially the institutions he endows, are selected to illustrate excellence. "My stomach has the opinions of my appetite."

Subtle Sneezing, Just Sneezing

Of all such sycophancy the world's treatment of Rockefeller is a symbol. When he takes snuff the colleges, churches, charities and journalism sneeze. Some sneeze subtly, many just sneeze.

For example, a great Sunday newspaper recently carried an illustrated full-page story entitled, "A New Kind of Education Serves a New Age." It was a readable story, written by one of the most popular educational lecturers in our country, which means in the world. There was nothing in the article to suggest that it was propaganda for Rockefeller. There was no mention of Rockefeller. It was

just a pleasing article showing that "the thoughtful school of to-day is trying to adapt itself to the new situation." The only school, however, to which the reader can turn for further information about this progressive education, although there are hundreds of such schools in the country and scores of them in New York City, is a small experimental school financed by Rockefeller, which in a small type legend is credited with "all the sketches on this page." As propaganda, intentional or unintentional, this article is vastly more effective because it avoids headline plaudits of Rockefeller. In the scrap book of Rockefelleriana this kind of publicity ranks as subtle sneezing.

Just sneezing is illustrated by the *Saturday Evening Post* paean in Chapter 48.

Subtle sneezing is reduced to a science by one editor who personally conducts Rockefeller through two hundred audiences rain or shine. When the oil company founded by Rockefeller is publicly blamed, Editor Brisbane's audiences are reminded that Rockefeller has been out of it for a generation; when the company wins praise the credit is Rockefeller's; for example:

> "Even the prosaic oil business is romantic. You know of the oil well that the Rockefellers have 'brought in' within the Arctic Circle. It would cost fifty millions to run in a pipe line. But at least the Rockefellers know that there is an Arctic reserve."

The magnet power of great wealth is no respecter of persons, it goes with possession. Thus Rockefeller has transferred his magic drawing power to the son and foundations to which he has transferred the bulk of his wealth.

Whoever has the final say with respect to gifts or investments has the power, wisdom, expertness, influence, prestige which wealth symbolizes. Sons of fortune builders hold the power as long as they hold the symbol. When sons lose railroad control they lose custodianship of the symbol,

as Goulds and Vanderbilts have proved. So far as great wealth is frozen in foundation endowments the symbol stays with the power to spend foundation income. Their shortcomings simply do not exist

"though they do appear
As huge as high Olympus."

Wealth Is Also a Silencer

THAT same human instinct which craves wealth's favor is particularly anxious not to incur wealth's disfavor. While this is true in an extreme degree of Rockefeller and his foundations, it is also true of each town's and each district's wealthy man or wealthy woman. It is because of the ramifications and size of his power that Rockefeller's concentrated wealth is a symbol of tendencies which democracy as well as aristocracy parades. Rockefeller's power, in his investments and his foundations, is as mixed up with a thousand other powers and activities as the individual straws in the old game of jackstraws, where players tried to remove one straw without budging one or all others.

Thus it comes that key people of all descriptions "watch their step" lest they invite the disfavor and aggressive opposition of the bogie man called Rockefeller power. Quite as instinctively as they hope Rockefeller rain will fall upon them they take pains that no tentacle of Rockefeller power shall be stepped on by them. Wherefore smiling and step-watching walk hand in hand.

Why run any risk? What if there is no physical bogie man, what harm is there in keeping on the right side of a superstition?

Of course the moon has nothing whatever to do with crops, but why not plant crops when the moon looks auspicious?

Of course the thirteenth chair has no significance whatever, but what's the use of frightening guests?

Of course going on two sides of a post or a tree is exactly as safe as going on one side, but there's no harm observing an old-fashioned convention like walking on the same side of an obstruction and thus avoiding a quarrel.

Of course Rockefeller could not be successfully vindictive if he tried, but after all it's wise to play safe for no one can tell when some friend will try to ingratiate himself with Rockefeller agents by reporting facts likely to cause their resentment.

If I need the influence of prominent men, if I have to borrow money to swing my business, if I want to be a college president or a secretary of state, if I want to rise to the top in law or architecture or medicine, if I hope to be a foremost editor, I watch my p's and q's and avoid pyramiding trouble for myself with Rockefeller power.

Thus a big printer, unknown probably to Rockefeller, and presumably able to keep his clients' names from Rockefeller agents, decides not to print this double entry story lest his bank shut off his credit!

Thus, too, world famous publishers say of the title "We don't want to wake up some morning and find we haven't any bank any more."

The wheels within wheels were numerous enough if Rockefeller had no tentacles except those of business, but he has other tentacles. To two of his foundations which publicly listed their stocks and bonds, the Foundation and educational board, Rockefeller gave securities of one hundred and thirty different concerns, most of which are national or international in their ramifications. Not one of those concerns but covets Rockefeller favor and shuns Rockefeller disfavor. It was his wealth outside not inside Standard Oil of Indiana that gave him the victory of 1929 which the preface of this book uses for illustration.

Because the sensitiveness of commerce is blunt compared with that of religion, charity and education when seeking

money or prestige it is Rockefeller endowments that become the omnipresent bogie man.

Why Ford Is No Menace—Yet

FEW people worry about Henry Ford's personal attitude toward them. Fewer still care a whit what Henry Ford's personal agents think or say of them away from his sponsorship. Why the difference? Because Henry Ford has not yet begun to invest his surplus capital in others' business and because Henry Ford has convinced church, charity and college that he is not seeking heaven, indulging his thirst for satisfaction, avoiding public censure or otherwise investing his capital by giving to these causes and starting foundations that while scattering money and prestige also need leaders.

For the life of the Rockefeller endowments, that now aggregate over $300,000,000, religion, charity and education will swell the number in all parts of the country and the world who will, first consciously and soon instinctively, keep one eye out and one knee bent for Rockefeller favor and the other eye out and the other knee bent to avoid incurring Rockefeller disfavor.

The few protections afforded by law and social practice against reprisal by Rockefeller's business agents are lacking against reprisal by the agents, beneficiaries and would-be beneficiaries of Rockefeller philanthropy.

For Rockefeller substitute Carnegie, Harkness, Jones, Smith, any other giving foundations—or a rich newspaper's Christmas charity crusade which distorts distress, misrepresents organized philanthropy's preparedness and miseducates readers by the tens of thousand or a political boss deciding who shall have public contracts or a county banker wanting farmer debtors to vote for a fine new high school in his town—and you have a condition of which Rockefeller is the completest symbol. Because his wealth can be of use to others they try to be going his way without being in his

way. He need do nothing but keep to the even tenor of his own way, the rest of us will do what is needed to seek his fortune's favor and avoid its disfavor.

CHAPTER 81

ADVANTAGES AND DANGERS OF BIG BUSINESS

NO other career symbolizes throughout the world as clearly as does Rockefeller's both the benefits and the dangers of big business. Others have exemplified them, but no one else pioneered so spectacularly in demonstrating both. Rockefeller has lived to see both recognized and has himself favored government action to liberate bigness for benefits and to supervise bigness for prevention of injuries.

The potential advantages of big business are so numerous that it is a pity our country was not prepared to discover them without four decades of confusion and waste due to secrecy, corruption, terrorism, crime, chicanery and demogoguery. A courageous campaign of education in the Dreadful Decade would have accomplished by lighting what we finally came to by fighting.

The one man who popularly symbolized coöperation's dangers long before he popularly symbolized its advantages, Rockefeller, is the one man who might have won a bloodless revolution for legitimate big business. He had the idea by 1872. He had a big lead over all competitors because he dominated oil refining. He had partners of vision, skill, unkillable zeal, tireless industry, and the winning habit of zealously testing their business efficiency. He had railroads competing with one another and with boats. He had a public which believed in smaller prices for bigger purchases and offsets via lower prices for any costs the purchaser could save the seller, as when an oil shipper furnished his own terminals. He had an appetite for power and profit that

meant greater willingness to study, concentrate and persist. He needed nothing but a fair field and no favor to win out for ever-expanding coöperation over cut-throat competition.

Why then did he resort to secret tactics against fair dealing and public morals? Because, he and his defenders say, if he had not bested his competitors that way, they would have used secret rebates and drawbacks against his legitimate methods and ruined him.

Unless—

unless he had militantly and publicly mobilized the cooperation of business and government for the truth, whole truth and nothing but the truth about railroad rates and government's relation to business! This proviso is necessary for mankind's future protection because in other fields Rockefeller foundation power is *repeating to-day the error of Rockefeller the fortune builder of trying to serve humanity without working openly and persistently for better coöperation through government based upon public knowledge of what government tries, gets done and fails to try or to do well enough.* Recent great fortunes from chain stores, mail-order houses, cheap automobiles and Rockefeller's dismembered oil trust prove that great fortunes do not per se require unfair trading.

Business bigness means height and weight, ramifying investments, banking connections, political friends and carbuncle self-seekers innumerable. No supervision has yet been devised to keep a big business or a big man from casting a big shadow or to keep passers-by and fellow pedestrians from being mentally influenced by shadows. Big business, because of its bigness, magnetizes and terrorizes.

A business man who frequently needs to borrow a great deal of money from banks wrote me: "For me to antagonize the Rockefellers would amount to the same as business suicide." A multimillionaire, R. Fulton Cutting, speaking of Jacob H. Schiff, head of one of the world's

greatest banking houses, said: "He doesn't like our work and he is provoked at me, but if the Rockefellers ask him, he will not dare refuse to give to our work."

Bigness is clannish. The motion-picture industry under one czar not only censors obscenity but protects established bigness. A true double entry story of Rockefeller could find neither big producer nor big distributor, just as it would not be permitted a large radio audience.

Bigness Writes History

BIGNESS' shadow writes the history, economics and political science texts and courses of study for public and private schools, colleges, professional schools and popular lectures. This has its advantages, perhaps, but it also has the disadvantage that it leaves out much of social science which society needs for its future protection. Unfortunately big business too seldom takes to writing history itself as in the case of the American Bankers Association which tells truth about Rockefeller that individual publishers and colleges or school boards fear to sponsor, as already told and further illustrated in 7, Part VII.

It is customary to-day for economists, editors and biographers to tell young America and old America that Rockefeller substituted order for chaos, economy for waste and cooperation for cut-throat competition in business. As a matter of history, it must be considered as a settled and agreed-upon truth that Rockefeller efficiency greatly cheapened the cost of distributing oil, greatly cheapened the cost of refining oil with kerosene and later with gasoline, stabilized his industry, stabilized employment in that industry, paid his employees a little more than competitors were paying, kept his business out of the hands of gamblers, gave the world a demonstration of concentration in business and of business-like procedure in basing action upon exhaustive study and carefully classified information. Having purchased

plants from competitors, Rockefeller made many economies; dropped oil managers and oil salesmen who were not needed; scrapped obsolete or superfluous plants, made two dollars grow when one dollar grew before; lowered prices when lowering prices meant greater profits.

All of this is true of Rockefeller economics. The experience of millions still living confirms it, official records confirm it, historic research confirms it, other big business has proved the advantages of such economics.

It is not true, on the other hand, as is commonly repeated, that the prime motive of Rockefeller efficiency was to give the benefit of savings to consumers. When the fact of the saving is beyond dispute, it is surprising that so much time is spent trying to prove a motive that is entirely beside the point.

Who cares what a storekeeper's motive is if his customers get lower prices and better service? The motive and the result of Rockefeller's increases in efficiency were to make greater profit for Rockefeller and his associates, with or without a saving to consumers. In a few periods there was so little competition and so great a demand that prices rose. There were times when consumers saw an increase in price immediately following announcement that competitors had been throttled or taken into camp. Throughout most of the period there was enough competition at home and abroad so that prices in some localities kept coming down. On the other hand, there were long stretches when competitors were satisfied, as quoted above from a Rockefeller publicity agent, to "get under and stay under the Rockefeller umbrella," as small steel producers have been glad to accept prices set by the "steel trust."

Since the law made it impossible for Rockefeller to snuff a competitor out of existence, there has been business enough so that both the oil company and its competitors could make plenty of money without cutting prices against one another.

Low Prices, High Wages, High Profit

THERE is one important economic fact which is usually forgotten in discussing the effect of monopoly upon prices and that is that it is often better to sell to an expanded market at a lower price than to a restricted market at a high price. If Rockefeller to-day were the only person who had an interest in gasoline and if he were entirely free legally to fix the price of oil, no one could tell without an extensive statistical study and a sales trial whether he would make or lose money by doubling the price of oil or by increasing it two cents a gallon. His oil company makes just such extensive studies.

We have had a chance to see the working of this economic principle as our states have taxed gasoline. It was threatened that the tax would be added to the price of gas. In practice the Rockefeller oil company and others have found that while legally entitled to add the tax to the price of gas, this would often be a penny-wise pound-foolish policy. By trying to get more money that way they would restrict their market enough to lose more money than they would make.

Several street railway companies have learned that there is more profit in a 7-cent fare than a 10-cent fare. Many students contend that New York subways can earn more with a 5-cent fare than with a 7-cent fare.

Over large stretches of territory and long stretches of time, Rockefeller could have charged much higher prices for oil without breeding successful competition and could have charged much lower prices without going below a fair profit. Similarly, Henry Ford and the kodak king, bread king, five-cent-store king, twenty-five-cent-store king and a thousand other commodity kings, might have made huge profits, perhaps even greater profits, by lowering prices.

The other side of this principle is that high wages may, by increasing labor's ability to consume, bring bigger profits than low wages.

Why, then, isn't the intelligent self-interest of big business the best safeguard for consumers? Why not trust railroad rates to railroads and coal prices to mine operators? Because there is always the possibility that the big business leaders will leave out some important information. They may not stay efficient. They may get tired or gouty. They may not like new methods. They may cherish costly fads. They may be susceptible to flattery. They may cherish aversions to competitors or external restraint of any kind. They may not have aversion to water in their stock or to antisocial methods by remote agents if only profits are high and their personal skirts clean. They cannot avoid parasitic deference by small business. They may not be socially minded. They may, while preferring to keep strictly within the law, want to write the law. Therefore, we have the interstate commerce commission, the trade commission and interstate and state pure food laws.

Menace to Citizenship

ANOTHER greater danger from bigness in business is due to those very qualities that spell Rockefeller efficiency. The same economical management that reduces costs also reduces the freedom and the incentive to think and speak independently. This curb on free thought and free speech grows with the geographical extent and efficiency of big business and is rooted not merely in the management's discipline but also in the self-interest of employees of cooperators. A race of subordinates is by necessity a race of studied caution. The local manager of a Rockefeller oil company needed, if capable enough to hold his job, to think constantly not only of his own interest but also of his employer's interest and the two were not socially the same. Because his employer was not a local resident with local responsibilities the local agent must avoid action and speech that might affect that employer's ability to make money in

a thousand other localities. Mussolini efficiency means derision of democracy.

Wherefore big business executives, big business lawyers, big business doctors, big business teachers and armies outside the big business stockade tend to "watch their step" and give it the length and tempo, forte or pianissimo which will best win favor from big business. In return for Rockefeller's efficiency in big business society has seen many of its ablest servants accept vows of silence respecting grave community and governmental wrongs as binding in their effects as vows of celibacy, and more costly to society than overt illegal acts by Rockefeller agents. We are in fact following big business to a society upper crust which has as definitely abandoned its former ideals of popular determination of public policy as the eunuch has abandoned hope of physical progeny. Dictatorship in government is a natural product of that delegation of leadership to one center and one set of minds, if not one mind, which Rockefeller the fortune builder symbolizes.

All the dangers of big business are magnified a hundred fold when big business goes into big giving through such foundations as have permitted Rockefeller to reap prestige, world gratitude, colossal power, exemption from taxation and freedom to do what he most wants to do without restricting even his control over the foundation investments that furnish his foundations with their incomes.

CHAPTER 82

DANGERS OF FOUNDATION GIVING

TWO generations ago, defying Rockefeller in business was widely and in great part unwarrantedly believed to mean a factory blown up, a family impoverished, an industry ruined. For one generation, it has in begging

circles with greater warrant meant fear of inability to secure funds for college or charity and fear of obstructions to professional promotion. The psychology is simple:

A group of governmental researchers who had just decided to accept Rockefeller domination against their own conviction of what was best for their work said to a fellow worker: "Your chance is with the Rockefellers. The old plan is down and out, for the Rockefeller crowd is against it. Come with us and with Rockefeller money we'll increase your salary from $5,400 to $7,000." The answer was out of step: "I've just two things to say to you fellows: here's my resignation; go to hell." But the approach had worked with a dozen others.

In the eyes of the law there can be no difference between a Rockefeller foundation and a Smith foundation for the same purpose and of the same size. The safety of the public depends not upon the name of the foundation or its founder, but upon the public's knowledge and the steps which it takes to use that knowledge. Whatever the source of a foundation and whatever its name and record, there are seven serious dangers if it is big:

1. *Dangers inherent in size.* These Rockefeller recognized by offering to have the size of his foundation limited by congressional charter. Congress refused the charter, whereupon Rockefeller, under a New York charter, exceeded the $100,000,000 safety limit. Size dangers are accentuated by the immunity of foundations to criticism and their perpetualness. The diversion of huge capital from industry saps more strength than it misuses. Bigness in foundations paralyzes initiative, chloroforms independence and keeps eyes focused on foundations instead of on social needs.

2. *Inherent cupidity dangers,* that is, dangers inherent in a world wanting foundation favor and willing to withhold criticism even from questionable business enterprises out of which foundation income flows. Beau Brummell in favor never asks "Who's your fat friend?" Thus it is that wherever city or state votes money to private charities, churches and colleges, the political

machine can do no wrong and such money becomes hush money subsidizing evils which often outweigh benefits from the publicly aided private activities.

3. *Prestige profiteering through publicity,* given not because subject matter of itself is interesting and deserves space but because the promoters of publicity and readers of it benefit by basking in the smile of foundation officers and because bigness invites public attention. Success brings imitators, others ape foundations' neglect of government's possibilities and obligations.

4. *Inherent anti-democratic tendencies,* which it is almost impossible to prevent, wherever on the one side is control of perpetual funds with great power and security and on the other side some desperate need or exigent appetite.

5. *Anti-social acts by foundation officers.* Rockefeller's son proudly says that their support is often worth more than their money; conversely withholding their money often injures morally more than financially, as several colleges have learned. It is extremely difficult for people not subject to public control and not accountable to public opinion to refrain from exercising power. To a sycophantic world foundation refusal becomes foundation disparagement. Those who reflect foundation favor or disfavor wield foundation power. Foundation officers exert influence not merely or chiefly because of any knowledge they are thought to possess or any interest they are thought personally to feel, but because of foundation power to help or injure.

6. *Certainty of inefficiency* due to protection from open criticism, e.g., foundation inaction, procrastination and unimaginativeness with respect to "America's greatest disaster," the flood of 1927.

7. *Overfeeding and underexercising by officers and trustees.* Nowhere is rotation in office more needed. Third terms for foundation leaders exempt from competition and criticism may easily do more harm than a second election of presidents like Roosevelt and Coolidge after serving nearly two terms, one by succession, one by election.

Big giving's influence upon social conduct is far more subtle than most people realize. The basic menace of foundations is not their size, although size aggravates the menace. Nor is it the lust of power and fallibility of foundation agents. The basic menace is the attitude of the rest of us

toward foundations which are created to give away money. We want some of the money. We want some of the power which the money gives. We want the smiles and favor of agents controlling such huge power to help or withhold help. It is what we are willing to do for foundation money not what foundations want or ask us to do that makes foundation giving a social and governmental menace.

We Play Polonius

We tend to be like Polonius, rotten Denmark's prime minister; for Hamlet's good will we gladly say the cloud is camel-shaped or weasel-shaped or like a whale.

We stop believing what foundations don't like; we do our best to believe what and to like whom foundation agents believe and like.

We refrain from saying to our classes what might make it harder for our university or college or church to obtain foundation money.

We postpone writing the editorial or printing the story which would frighten financial backers who want foundation favor, or we say as an editor with an enormous audience said: "That is an excellent idea, but Rockefeller is a pet of the front [managing] office."

We avoid illustrations in our textbooks that will embarrass publishers whose financial standing is actually or supposedly affected by foundation likes and dislikes.

We reject an article or book or radio talk or scenario that tells some fact or raises some question about Rockefeller or Rockefeller giving or Rockefeller agents lest we be uncomfortable when we next meet Rockefeller's publicity engineer, some other distributor of Rockefeller largess, or some tentacle of big business.

"What will be the Rockefeller attitude toward this book?" asked publishers. Four said *of the title:* "We do not want any book that criticizes or leads others to criticize Mr.

Rockefeller." . . . "On grounds of editorial policy we do not wish to publish a book that discusses Mr. Rockefeller." . . . "We are not strong enough yet? . . . "We couldn't publish a book about Mr. Rockefeller that he didn't approve."

This terror complex is voiced not by French peasants in 1789 but by American publishers in 1929.

Pour a bootleg fortune into benevolent foundations, incorporate a militant free thinker's millions, set aside the proceeds of success in marketing opium to the underworld or in protecting crime, and charity, church and college would petition the foundation and haloize the founder.

Substitute Any Town's Largest Giver—man, woman or city government—for Rockefeller and you have a universal trait and universal menace. Sycophancy creates more bureaucracy than tyranny does. Emily Dickinson put it for us metaphorically:

"The pedigree of honey
Does not concern the bee;
A clover any time to him
Is aristocracy."

Former Mayor Seth Low of New York City and another multimillionaire went to call upon Mr. Carnegie at his home to ask for a gift toward municipal research work. They took me along to give concrete examples of the community results when nonpartisan scientific fact-finding is applied to governmental problems.

During most of the interview Mr. Carnegie napped, only to cover up his excursions and his return to consciousness by some sharp leading question. "Are you going outside New York?" he asked. Had the two distinguished visitors thought only of their mission and of the evidence they had about the opportunity of that mission to help mankind outside

New York, they must have answered, "Yes, indeed, this non-partisan fact-finding is needed and will produce results wherever there is government, whether municipal, state or national." But that is not the way they thought. Like Polonius they tried to answer what Andrew Hamlet Carnegie would like, so they said: "No, indeed, we have in mind only New York City." Whereupon Mr. Carnegie, now entirely wide-awake, said: "Well, you know I can't be interested in a proposition for mere local service."

How Rockefeller Menace Works

Most critics of big giving, and particularly of Rockefeller giving, have failed to contribute to the discussion of the dangers involved because they have been personally convinced and have dogmatically and insinuatingly written that Rockefeller sets out with all kinds of conditions and dictation to get people to say things and do things or to make people promise not to say things and do things.

Nothing is farther from the facts. Such "direct action" would be very foolish. It would quickly defeat itself. It would arouse so much antagonism that laws would be passed to control the benevolent use of fortunes as laws now affect business.

"The most oppressing thing to me," wrote John Cotton Dana, library leader, in 1918, "is not the existence of the rich man and not the existence of laws and customs that make the unduly rich man possible, but the spirit of my fellow-citizens which makes them willing ever to take dole from the rich and thereby to some extent have their mouths estopped from uttering criticisms and complaints."

The late President Buttrick of the Rockefeller education board recognized the danger. He wrote that he had found it necessary to refuse to settle questions for beneficiaries, i.e., he refused the crown which colleges wanted to give; he feared to so much as issue a public appeal for teacher re-

cruiting. His associates and other foundation agents have not always been so fearful of crowns, nor is it human nature to be. His own fear had not kept him from many compulsions, most obvious of which was the forced change in medical education.

Once a Rockefeller foundation tried openly to delay a public body. Its failure showed the mistake of "direct action." New York City was investigating her police problem. Aldermen were doing it. Their chief agent was Emory R. Buckner, now more familiar as the federal district attorney who in 1926 padlocked places found to violate prohibition laws and prosecuted a former attorney general of the United States in the alien custodian scandals. Before the aldermanic committee a Rockefeller agent appeared to urge it to delay its investigations of bad policing in New York City until a Rockefeller investigator of European police work might return.

This was a perfectly natural action for such power as Rockefeller's. It is kept natural by the Barkus-willingness of the rest of us who want gifts. Its like happens all the time in business, charity and education. Those who have power quite naturally feel that their time, their way and their solution will serve society best. We who want crumbs from power's table, frequently show that our wish is father to the thought, our wish for power's smile causes us to think that power's way is best. In the aldermanic police study, however, there was a competing power, namely, the voting power of New York masses and the publicity advantage of not waiting for a Rockefeller agent to reap the public praise, so the investigation went on.

The Danger's Indirection

NATURAL science helps explain why it is that Rockefeller never has to whisper or blink an eye in order to get whatever result he seeks. All he has to do is to forgive his enemies,

be optimistic, give away money and "sit tight" while the rest of us squirm and turn and bend the knee and raise the eye in an effort to get his capable attention. Willow trees lean toward running water. Flowers turn their faces to the light. Desire for money turns its face, its heart, and its opinion toward possible sources. This works in college presidents, college trustees, college faculties, charitable and civic societies as clearly and as inevitably as with the willow, the flower and the Sunday school class or negro retainer of the old school just before Christmas.

This simple law of benevolence has long been working on a large scale. The year before the Russell Sage Foundation started, the national conference of social workers had a program at its national convention which showed that social workers in all parts of the United States were keenly alive to their opportunities and responsibilities and were enjoying a democracy of thought and speech. Almost overnight, the announcement that there was a ten million dollar fund to be given by Mrs. Russell Sage chloroformed this independence. The chloroforming was no respecter of persons either. For several years thereafter, until it was clear that no "melons" were to be cut, the social worker group trimmed its sails to what it thought were Russell Sage Foundation winds and whims.

Later, for one year, I had the privilege of reading, studying and getting something done about the begging letters written to Mrs. E. H. Harriman. Instead of throwing importunate appeals into the waste basket, we studied them for any possible lessons to donors or governments. Where it seemed that help might be needed and might be procured from sources near the applicant, letters were sent to health officers, relief societies or school superintendents, a practice which the first Mrs. Woodrow Wilson liked well enough to apply to her own letters at the White House,—and which should be a routine of all foundation trusteeship.

In a few cases, I was asked by Mrs. Harriman to interview and report to her. Fairly often Mrs. Harriman's office politely and engagingly disposed of a visitor by saying that I was reading her letters. It followed then for several months that I had daily experiences similar to those of foundation managers and their assistants. I was shown the greatest deference by college presidents and people high in the councils of social work. My judgment was sought on all manner of problems where I had no experience-basis for judgment. I received invitations for all kinds of social affairs that were naturally outside my orbit.

A Concrete Instance

THE following illustration will help the reader see what is happening all the time to Rockefeller and other foundation agents. A letter from a young matron of social distinction invited me to speak on a subject that I knew was important but, as I wrote her, was outside my field. I ventured to suggest a couple of speakers.

A letter of cordial appreciation came back to me with word that my advice had been taken and the two speakers invited. Would I please preside? I wrote that my disqualifications for presiding over a meeting on that problem were quite as complete as my disqualifications for speaking. However, I allowed myself to be over-persuaded and introduced the speakers of the day at a notable gathering.

While at that meeting I was invited to lunch a few days later at Mrs. Harriman's home. When I arrived, the guests of honor showed why I had been besought to speak on the subject outside my field. An elder relative of the matron who invited me was there and the executive officer of the agency described at the meeting.

In other words, in the hope of creating an atmosphere and a condition that would bring a favorable report from me to Mrs. Harriman if I were asked, a meeting was called

to which the social prestige of the organizers was able to bring several hundred prominent people and at which a supposed agent of big giving, supposedly susceptible to the flattery, was invited to speak on a subject he knew too little about and was finally persuaded into presiding.

As it turned out, I did not live up to what was expected of me. I did my best to avoid committing myself where I knew so little, in fact, won Mrs. Harriman's open rebuke for evading her questions. Finally, I had to say that it seemed to me that the petitioners were talking not about a $12,000 proposition, but rather about a $500,000 proposition. The hoped-for benefactress said she concurred in that opinion and would be glad to see them again after they had planned a program big enough to accomplish what they had in mind.

Criticism Chloroformed

After the Rockefeller criticism of the country's schools in 1916, an anonymous educator wrote to the New York *Evening Post:*

"I am one of doubtless hundreds of educators who disagree radically . . . I am also, with numerous others, a member of the faculty of an institution whose welfare is closely bound up with its relation to the General Education Board. I cannot feel sure, therefore, that I could say what I should like to say in criticism . . . *without possibly endangering the interests of my own institution.* . . . But those of us who are in the position above described *cannot meet him on equal terms* and so his proposals will be spared a large volume of criticism from many sources which they would otherwise receive [showing] that such attacks on particular lines of study are a serious peril to genuine freedom of discussion and action in a large portion of the American educational field of to-day. In all seriousness, and with a certain degree of sadness, I feel obliged to close this letter with an assumed signature, and with no geographical indication of its origin. X.Y.Z."

In 1914 the normal school section of the National Education Association Convention held in St. Paul passed the following resolution:

"We view with alarm the activity of Carnegie and Rockefeller foundations, agencies not in any way responsible to the people, in their effort to control the policies of our state educational institutions; to fashion after their own conception and to standardize after their own notion courses of study and our methods of teaching; and to surround our state institutions with conditions which menace true academic freedom and which defeat the primary purpose of democracy as heretofore preserved inviolate in our common schools, normal schools and universities."

February 5, 1917, this resolution was called to the attention of Senator Chamberlain of Oregon by the present secretary of the National Education Association.

The very next July the National Education Association started receiving money from the General Education Board, $6,000. Commenting upon it, the *Journal of Education's* leading editorial ended, "Rumor has it that this is but the beginning of appropriations by the General Education Board through the National Education Association."

Never again has any branch of the National Education Association criticized Rockefeller giving and Rockefeller working or other foundation giving. The writer of the above-quoted letter was made secretary of the National Education Association. Public normal school leaders rushed to adopt the above mentioned normal course of study worked out with Carnegie funds, although it was seriously behind the times and very seriously behind the standard set by the Rockefeller publicity. The N. E. A. gave its name to reports financed by three big foundations—Rockefeller, Carnegie and Harkness—which are serviceable, but which would have been incalculably more serviceable if other educators had been free to suggest and criticize and if the studies had been by rather than about public officers.

After a state survey by a Rockefeller board, the head of an important civic agency was convinced that serious injustice had been done to the education of his state. He asked for copies of a bulletin which analyzed the survey report and pointed out ways in which its investigation had not been specific or thorough. He was going to do valiant things. Upon returning home he wrote that defective and unjust as the Rockefeller survey was, his trustees and associates thought it unwise to antagonize the great foundation just then.

Post Hoc, Propter Hoc

When the director for the new Lincoln School experiment was announced, Columbia University's publicity referred to him as "the leading exponent of the new trend in education." When asked for evidence, Columbia's publicity director wrote: "The use of the superlative was an oversight. That phrase and the phrase 'his prominence in the educational world' are *obvious inferences from the fact that he has been appointed as director of the new Lincoln School which has been given so much publicity!*"

This is simply saying in another way what Rockefeller's son said in the quoted interview for the *Saturday Evening Post* that publicity coming from their endorsement is often worth more than the money. Because big foundations might be wise, thorough, accurate, visionful, we first assume, then say, that they are.

Therein lies an uncorrectible menace in big giving so long as willows grow toward water. The world stops independent thinking and defers to it and all its works,—and all its satellites. It has greatness thrust upon it and willy-nilly must be expert, although big giving doesn't make an expert in education or philanthropy any more than big betting on stocks makes an expert in industry or commerce.

A Correctible Danger

ONE final danger in big giving is correctible,—*the big giver from big business modestly drops his business standards.* In philanthropy he trusts where in business he tests. In business he is judged by his product, in philanthropy by his professions.

In business, Rockefeller showed surpassing ability to size up men, to pick men able to represent him and to work with him. So successful was his selection that he repeatedly credits his success to the combination of brains that he collected. Ida Tarbell concedes that Rockefeller showed in business an almost uncanny ability to incite friendly competition for excellence within his own organization. Every man and every officer was judged by his product and given a free hand above a minimum of efficiency and a minimum of prescription as to method for producing results.

In philanthropy, Rockefeller began his big operations after he had retired from business and when delegation meant delegating to some one to delegate to some one else who would delegate to a string of subordinates below.

The customers of Rockefeller's giving want money or the spending of it in their locality. The customers of Rockefeller's business wanted cheap oil that would burn satisfactorily.

No amount or kind of governmental supervision can train college faculties or charity societies to look their own gift horses in the mouth. That is why tests for big giving must be made impersonal through federal and state commissions to investigate and report to the whole public, why foundations should work, not give, and why they should hold attention by service not by money gifts.

Rockefeller probably knew nothing of the overlooked Kentucky moonlight schools, he had not directed the investigators. He possibly knew nothing of municipal research

and training for public service snuffed out by his agents. But may the founder of a great benevolent foundation claim credit for its benefactions and escape discredit for its malefactions? A still more important question is whether society shall close its eyes to malefactions and its ears to maleficiaries because of gratitude for benevolent motive and big giving.

CHAPTER 83

THE MENACE TO DEMOCRACY

ROCKEFELLER'S chief almoner, Dr. Gates, became interested in proposals for municipal research in New York City. I was delegated to explain to him in person what it was thought could be done first for municipalities and later for county, state and federal governments by scientific investigation and publicity with respect to the methods and results of government.

After the field and the method had been outlined, the analogy was traced between widely-needed municipal research that was thus far lacking and the widely-needed medical research for which Rockefeller had already set aside an endowment.

"But," said Dr. Gates, "before we founded the Rockefeller Institute for Medical Research, we had centuries of science which we could use for guiding us."

"Haven't we those same centuries of science with which to guide a study of government?" I asked. "Surely you do not claim, Dr. Gates, that science belongs to you or to medicine. We have all the science you have even if we have not used it yet."

It was then admitted that there is no tested principle or method of science which is not applicable to learning and solving problems of government. Over twenty years later,

largely because the great foundations have shunned and encouraged others to shun government as an object of scientific attention, the failure to apply science to government is costing humanity and our country alone, and even our cities alone, more every year than Rockefeller has given away.

We lose money and momentum because we do not apply science to discovering what is done by government. We lose money and momentum because we are not applying science to discovering the results of what government does, alternatives to what government does, alternatives to forms of government, alternatives to purposes of government.

In the simplest and most mathematical phases of government, we are trying to get along without the use of a simple science like arithmetic. In the great majority of cities in our country we are failing to learn accurately how much money ought to be paid into sinking funds in order to discharge a promise to pay by the date set in that promise: many of us are setting aside more every year than we need to set aside; a large city, Detroit, puts aside $87,000 a year more than it needs, in fifty years an excess of over $40,000,000; a rural county, El Paso, sets aside $1,000,000 too much in fifty years.

Respecting such commonplaces as teacher salaries, our American cities and foreign cities are not applying the principles and methods of science; yet there is nothing about the salary of a live teacher that defies science any more than the habits of a dinosaur which breathed his last six million years ago, the historic writings of the Mayas forty centuries ago or the idiosyncrasies of appetite and conduct among hookworm bacilli.

Rockefeller Has Injured Government

THIS whole realm of science applied to government and of government needing science has been tabooed by Rockefeller and his advisers for his own giving, with two small

exceptions in 1927 and 1928. Millions, even tens of millions of dollars, have been spent by Rockefeller agencies on the theory, as is frequently claimed by eulogists, that governments could not have done such work, when as a matter of fact there was nothing whatever in such work which governments could not do and should not be required to do.

Mussolini has recently challenged the whole theory of representative democracy. Not satisfied with a theoretical justification of his own position before his own people, he insists that a dictatorship like Fascismo is a preferable principle and method of government for France and Germany or for England and for struggling Europe, as well as Italy. He boldly claims that Italy's dictatorship is now the only government in Europe which is fitted to present-day needs. He couples our American Civil War with Italy's economic war as an effort to save the unity of two great people. We established the authority of our central federal government by a "frightfully destructive Civil War" while Italy, he says, "established the authority of its central state organism by a comparatively bloodless struggle."

For want of what Mussolini calls a strong central organism, France has allowed her political factions to rock the boat, deflected it from its course and nearly wrecked its passenger, the French State. Elsewhere in Europe states are floundering in a morass of democracy and factionalism run wild. Nor are signs lacking in America of "acute distress and prodigal waste" because we simply do not know how to do and get done what our majority mind decrees.

It would be hard enough on society if Rockefeller's big giving merely overlooked this field and delegated it to others. More than that the net effect is to keep others from thinking of the field because of the weight and example of Rockefeller giving. Few departments of universities have had so little encouragement as those departments which have to deal with government. As shown above, at a critical time

preceding the World War the university world, the business world and the government world were united in seeking means of applying science to government through university courses, through field training of researchers, through direct government activity and through voluntary civic agencies. Rockefeller's son and other agents put a stop to this work in our largest city and seriously checked its extension elsewhere. Reviving it in New York has been next to impossible because the natural leaders have "hesitated," as one wrote very frankly, "to seem to pass judgment upon the Rockefellers."

CHAPTER 84

AN INTERSTATE GIFTS COMMISSION

NO one questions the value of the interstate commerce commission to commerce and to human existence in our country. For Rockefeller's part in proving that commission's work necessary, the world owes him undying gratitude as a by-product of its feeling toward those actions of his which did the proving.

Few question the value of governmental restrictions upon gifts for party campaigns, and again our country owes Rockefeller a debt of gratitude for his part as a campaign contributor in making limitations and publicity as to business participation in politics seem necessary.

Does Rockefeller's giving for benevolent purposes, with its power and by-products, show the need for a federal commission to record, summarize and, at points, investigate interstate giving in the whole public's interest?

Already, when public giving for interstate service is still in its infancy—and not counting university endowments—interstate giving has an invested capital now approaching a billion dollars. And the foundation habit has only just begun its vogue!

Besides being exempt from taxation foundation capital is exempt from public criticism. Yet it can be used to influence the spending of our nation's entire income, especially its tax income, and much of it is being so used. In law there is nothing to prevent its being used to influence business policy and business credit so as to make or to break private fortunes.

Eight Instances

At a critical stage in federal effort to study the relations of capital and labor, in 1914, the Rockefeller Foundation appreciably decreased the thoroughness of that study by its divertissement in broadcasting its intention to pay for "a thorough scientific study."

At a critical stage in higher education's self-criticism just after the World War, the Rockefeller education board deflected nation-wide attention from needed educational reforms to drives for larger endowments regardless of educational advances.

At a critical state in the building and supporting of public schools three foundations—Rockefeller, Carnegie, Harkness —financed a study of school finance in ways that widely paralyzed local responsibility and impulse for study. The results were published in essays beyond quotable use by the people whose taxes must erect buildings and in figures which did not educationally advertise either the shrunken value of the post-war dollar or the unfairness of camparing it with earlier unshrunken dollars. Thus foundation money was used—unintentionally of course—to perpetuate false views. For years to come New York City's expenditures for education will be understated because these foundation reports omitted debt service, pensions, water, light, nurses, over $22,000,000 in 1928. Similarly the Sage Foundation's so-called School Index had earlier given life and power to a ranking of states in education which did no little harm as well as much good.

At a critical time in the training of teachers, when need for changed courses was generally recognized and when desire to use different war-taught lessons was widespread, the Carnegie Foundation arrested serious local study of local needs by offering—with the best of intentions of course—a ready-made but reactionary course of study for teachers. True, teacher trainers didn't need to stop studying their own problems and start using a Carnegie advertised plan, but getting something for nothing was too tempting, especially when local criticism could be paralyzed by foundation prestige.

Citizen attention to governmental problems was set back years by the Rockefeller foundation's success in influencing the use of others' donations, as reported in Chapter 68.

At a critical time in man's history, June and July 1914, when nothing but skywriting the truth could have prevented a world war, the Carnegie Endowment for International Peace was on vacation, while the Carnegie Corporation with $135,000,000 and two Rockefeller foundations with $100,000,000 and $30,000,000 to spend found no step to take. Yet by their preëmption of vast fields they discouraged others from even wondering if something could be done.

After the ghastly sacrifice, these huge foundations, now holding nearly $500,000,000, still find themselves helpless to throw any searchlights ahead. One of them is burnishing and feeding a marvelous tail-light, a mile upon mile upon mile bookshelf of World War history, while others have subsidized collections of war documents.

When our country was trying to sweep away the cobwebs of partisan squabbling over the League of Nations, a private fund of over $100,000, the Bok Peace Prize plus a fund for exploiting it, monopolized newspaper space to the exclusion of statesmanlike proposals that might easily have received attention if given a chance.

Local Independence Paralyzed

BECAUSE "our endorsement is often worth more than our gifts," society has to deal with endorsements and rejections as well as with money gifts by foundations that give money.

States and cities are shifted out of their self-earned spending scales by foundation gifts. Educators and institutions are lifted high by foundation money while competitors for recognition and money are correspondingly depressed.

Studies and reforms are put off until foundation attention can be secured. Steps are taken in the direction which foundations frequent and approve. Lightning rods are set up "all over the place" for foundation lightning.

Most dangerous of all is the fact that foundation giving, when national as is our largest foundation giving, chloroforms not only independent initiative but also the spirit of freely and frankly analyzing, questioning, challenging, reviewing, comparing and reporting which is worth more than money to social progress.

It would be dangerous enough if the immunity from criticism covered foundations alone. Experience shows, however, that the interlocking of foundation influence is so extensive and delicate, its satellites so numerous and the beneficiary lightning rods it will run down next time so uncertain, that the faculty of criticism is palsied.

What can be done? Must rich men and women get federal permission to give away money outside their home states? Must donors be licensed? Isn't any freedom to be left to Americans in their prosperity? Can't busybody killjoys leave even benevolence alone?

Benevolence hasn't been left alone as completely as such questions imply. In New York, foundation incubator, a rich man may not start a new hospital or a new orphanage just how and where he pleases; he must secure a charter or license from a state board and make annual reports of

moneys and patients handled. A rich woman may not start a pleasure resort or build a street railway where she pleases; she must keep within zoning laws and public utility rules. Lords and Ladies Bountiful of more energy than means may not go up and down Wall Street collecting gifts for a college; they must first secure authorization from the welfare commissioner. Needy persons or persons professing poverty may not advertise their distress from house to house or from passerby to passerby; that is against the law, and police will "run them in" unless they are licensed to sell lead pencils or shoe strings or agonizing music with mendicancy thrown in.

Foundations Tax Localities

In fact, the very Crœsuses who go from one end of the land to the other begging four gifts to earn their one—or urging taxes to apply their ideas, or begging prestige in return for their gifts—have in their business offices big signs to the effect that all applications for relief are referred to a charity organization society, while requests for large sums are referred to a national bureau of information.

In other words, wealth has already organized for its own protection, its own convenience and society's benefit many voluntary devices for learning the truth about mendicant individuals and small philanthropies.

They quite naturally have not yet set up any device for ascertaining the truth about the greater and lesser Rockefellers, Carnegies, Harknesses, McCormicks, Kresges and the uses of interstate gifts. On the contrary, the so-called information bureaus quite naturally tend not only to protect the great foundations from scrutiny, but also to vent their agents' judgments and prejudices. For example, a group wishing a few millions for a nationwide crusade against morphine and heroin addiction is told to secure the approval of a national information bureau. That bureau refers the

request for opinion to a Rockefeller foundation whose drug expert is widely but specifically known to have been a drug addict. There is no publicity about this procedure and no appeal from it but to find another donor who happens not to want his own judgment bolstered by supposedly independent information. Nowhere is "lodge spirit" stronger than among agents of great foundations.

Rockefeller Premise Unsound

One conviction of Rockefeller's shows why it is not safe to leave big giving to the private hoping of donors and the nebulous supervising of an uninformed public: "There is not enough money for the work of human uplift and there never can be," he wrote in 1909. That was bad economics when he wrote it. His own giving and industrial prosperity have progressively shown since that there is more than enough money for human uplift, which is only another way of saying that man's imagination and man's energies are more than adequate to assuage and remove the submerged man's sufferings. What the world knows as uplift work and what Rockefeller meant, is in any prosperous industry only a bagatelle compared with that one industry's power to assuage and remove. In treating Great Britain's post-war unemployment, which has been so extensive and protracted as to threaten the empire's dominance, there has been more than enough money for recuperation, but too little political preparedness.

Because Rockefeller and his benevolent foundations are symbols, it is suggested that the country learn from their experience and consider taking steps first to recognize its participation in their services, and secondly, to get the best possible out of them. This might be done by setting up a statistical service analogous to the interstate commerce commission with power to investigate and obligation to report.

A special reason for setting up such a protective and educational agency is that almost every governmental unit is

being put under pressure from various foundations to spend tax money for numerous public purposes. Unless society equips itself to analyze this pressure and to test the facts and the enthusiasms which generate the pressure, it is undergoing taxation without representation.

CHAPTER 85

A CONSERVATIVE PROGRAM

THE following conservative program is suggested for those who have interest in this kind of statesmanship.

It is not proposed that a federal commission on interstate giving shall have any power whatever except the power to secure and publish the truth about what is proposed and particularly about what is done.

On the ground that *a road through the public mind and the public sympathy or through public and private pocket books is more serious than a railroad through farm lands and city streets,* it is proposed that organized and corporate interstate giving be required to procure a national charter. To have and to hold such a franchise the corporate interstate giver would be required to act up to standards of publicity high enough to make it easy for givers and public alike to recognize gross inefficiency and to foster ever increasing efficiency in serving the public.

Among facts to be required would be summaries of appeals rejected. Advertising alternatives rejected by foundations would serve three useful public purposes:

1. Increase the alertness, studiousness and judiciousness of foundation managers who would act far nearer their own best if conscious that the public was looking on;
2. Give other donors, public officials and civic bodies information about social needs and opportunities that would often prove vastly more valuable than the reporting foundation's gifts of money;

3. Protect the public against gross waste of opportunity, misuse of vast power, and unimaginative use of halo and money.

Once possessed of information about foundation giving and its alternatives the public could begin to think rationally about the need for a few legal restrictions like these:

1. *Prevent interlocking directorates even among foundations started by one man.* This would prevent a single headed control of huge foundation fortunes by one man, as when Rockefeller's son was until 1929 chairman of the finance committees of three Rockefeller funds with over $300,000,000 in securities which he could vote and trade with practically no one to say him nay. Legally the boards could have deprived him of his power, morally they could not. With three funds merged in two, he still has that same power. He admitted its social menace in speaking to Jerusalem journalists in March, 1929.

Competition among foundations would have more advantages and fewer drawbacks than competition among store keepers. Foundation investments represent too much power to be voted in and out by small handpicked committees of trustees, or even by whole boards of handpicked trustees. The only foundation cooperation that is safe for society is coöperation among equals in independence. Interlocking directorates mean lock step benevolence and a patronized public rather than a participating public.

Not too small for consideration either is the fact that interlocking foundation directorates mean interlocking power over more hundreds of millions of saleable material and gambling capital than Rockefeller's dreaded oil trust ever possessed. The menace of such power even with full publicity would be serious.

2. *Prohibit membership by officials or employees of tax supported bodies on boards of foundations.* Interlocking of governmental and private activities defeats the coöperation which it hopes to encourage and almost inevitably limits the freedom of the public agency, gives it artificial reputability or protects it from needed scrutiny and criticism.

3. *Limit to seven years the terms of trustees and executives.* This would still permit a memory span of fourteen years for the trustees, one retiring each year. Provide for new brooms. It is vastly more important that foundations look around and ahead

than that they look behind. Proprietary interest obscures public interest.

4. *Require that interstate foundations' records be open to public inspection, subject only to reasonable restrictions such as now control inspection of government records by taxpayers.* If the public had access to the minutes of the Rockefeller foundations that reveal the study given to alternative proposals and the reasons assigned for financing some and rejecting others, then the officers and trustees would tend to act at all times in a way that would look well to a public audience. The thought of unfavorable publicity would warn trustees against taking it for granted that their policies and agents were highly efficient, progressive and impersonal. The requests refused by foundations for flood relief and flood prevention in 1927, would, if published, stimulate future efficiency.

5. *Prohibit foundations from giving money to any civic agency whether private or public: make foundations and their leaders work for their halos.* Does this seem radical, revolutionary, reactionary, destructive? It should not after the foregoing review of Rockefeller's benevolent trusts.

A frank examination of one's own attitude toward rich foundations should be enough to prove that society cannot afford to nurse the sycophancy and cupidity which foundation giving to other agencies must inevitably breed.

Nor can any modern democracy afford to nurse the arrogance and irresponsibility that are inevitably bred in the souls of foundation managers who have power to give or withhold money, opportunity and prestige, while being accountable only to themselves.

Rockefeller Giving Stopped Questioning

ROCKEFELLER the doer was frankly studied and impersonally judged until Rockefeller the giver chloroformed the nation's power to look at him with open eyes single to the truth.

Rockefeller making experiments, Rockefeller making investments, Rockefeller researching, Rockefeller teaching, Rockefeller propagandizing, Rockefeller running welfare

work in coal mines, Rockefeller backing company unions in iron mines, is capable of doing incalculable good, but only if Rockefeller giving—or Rockefeller giving "maybe"—does not cause the onlooker's vision to palsy with selfish fear and hope.

Rockefeller, giving to other agencies, has thrust upon him a halo for all success and an alibi for all failure. That is good for neither Rockefeller nor his beneficiaries. Rockefeller spending his own gifts, without artificial halo or vicarious alibi, would try to undertake nothing he could not see through with credit; would seek only agents who gave evidence and promise of exceptional efficiency; and would not be able to dodge accountability for results.

Dry rot would not be at home in foundations if they were allotted prestige according to their doing rather than in proportion to other agencies' need for money.

The supreme social advantage from having foundations work or loaf rather than give or withhold would be the emancipation of religion, education and civic work from their present self-imposed but none the less paralyzing subservience to foundations and hoped-for foundations.

If money giving by foundations stopped would then all benevolent work by foundations stop? By no means. That would be but the beginning of best benevolent work by foundations. The difference would be that the foundation instead of playing cuckoo to its eggs would hatch them itself. It would hire investigators. It would make tests and re-tests. It would study and publish results. It would give that superior supervision and workmanship which go with undodgable responsibility.

Require Fact Base

6. *Require foundations to state the fact base of their proposals and criticisms.* Even if Rockefeller and other wealthy foundations were not giving money to other agencies their offi-

cial utterances would exert terrific pressure upon public thought just because of the world's snobbish deference to wealth. It is naturally assumed by masses of our public, including especially the leaders of public opinion, that big money and social prestige have the facts to justify dogmatic utterances. It is a serious thing for education when the Carnegie Foundation says graduate research is sham or when a Rockefeller foundation publishes arraignments of our colleges. The public is entitled to know that these are disparagements, not evidence.

An interstate gifts commission should have the power to say:

"You foundations may say what you please. Only you must earmark what you say so as to show clearly whether you are guessing or voicing prejudice or reporting the results of careful study. To help the public use your reports and protect itself against being stampeded by unsupported assertions, you must show the nature and extent of the studies you have made before reaching your conclusions. Just as railroads may not falsify earnings or costs so you foundations may not give wrong impressions about the value of your pronouncements."

Only by some such steps as these can posterity prevent the "dead hand," and deader mind, of foundation builders from blocking progress, freedom and love of independence. Exempted from competition, struggle for eminence and fact-based frank criticism the foundation mind will shrink as Rockefeller's mind has shrunk.

CHAPTER 86

HISTORY'S INCOMPLETENESS

WHILE Rockefellerphobia was at its peak and the world was recovering from Rockefeller's request for the blessing of congress upon a hundred million dollar foundation, the New York *Evening Post* made this forecast:

"Possibly a hundred years from now, some historical scholar under the Rockefeller Foundation will be set to studying the political and social conditions in the United States from 1875 to 1910 and will find to his amazement that the name of [Rockefeller] had in his lifetime been held in execration by millions."

This forecast took for granted that for one hundred years the history of Rockefeller's time would be incomplete out of deference to Rockefeller donations.

"Victors write the history" applies to industrial as well as military warfare. Wealth like Rockefeller's is first condemned, then sought, then excused, then extolled and finally justified and canonized in histories. This is particularly true of big giving's history.

Since, however, society's ability to protect and shape its course is affected by the way it reads history and by the kind of history it is given to read, Rockefeller's posterity can profitably recognize and correct the incompleteness of the history offered by him and his agents or persons mesmerized by Rockefeller and allied power.

Many gaps have been cited between what actually happened and what histories say happened in Rockefeller's business and philanthropy. The gaps are more interesting than orthodox histories. Posterity's history of Rockefeller now promises to perpetuate the "sunken roads," where instead it might discover them in time to avoid the loss of future picked battalions.

Research About Rockefeller Needed

FROM a few pieces of skull, science has reproduced in lifelike size and detail the prehistoric man. So trustworthy has this science become that in present-day researches in Mongolia, Sumatra, Egypt or South America, a man or a beast can be reconstructed and his mode of living definitely pictured from only a few portions of his skeleton. Yet in spite of proof that history helps man learn from the past to read

the present and plan for the future, historians and scientists have not learned to take interest in a problem until most of the skeleton has been destroyed and only a few pieces of it remain. Here Rockefeller has been living in a world of historians and researchers and been one of the most important forces in that world for over fifty years, yet historians have kept scrupulously, perhaps terrifiedly, away from him as a subject. The excuse given is that they are too near to him to be sure that they are getting the truth, or at least that the present-day reader is too near to Rockefeller to accept the truth; the real reason is that discretion has barred him as a topic.

After all the files have been rifled of Rockefeller letters, after all the men have died who talked with him or to whom he gave Sunday school talks, after all the contracts have been destroyed, and after it is necessary to reconstruct contracts and conditions out of syllables, the scientific world will become keenly interested in the evolution of Rockefeller and his contribution to the evolutionary forces of business, education and government. Why not begin to research while more than fragments remain and while Rockefeller's official biographer is holding daily conferences with Rockefeller himself by seeking answers to questions like those in 16, Part VII.

Rockefeller's Retirement—Model or Warning?

At the age of fifty-six Rockefeller retired from active business. This did not mean retiring from money making, for a great part of the world was then working to make money for him. It did not prevent his making his second huge fortune, this time from iron. It merely meant that he let his money and its power work for him, while he concentrated upon regaining and retaining a good digestion. It was similar to the landowner who is not a "dirt" farmer but merely takes rents or shares from his tenants' earnings.

At the time and for a long while thereafter Rockefeller's retiring was applauded as an example to "grasping" America. In 1926 the *Saturday Evening Post* contained the statement that Rockefeller "retired from active business at fifty-five, putting gain behind him as calmly as Carnegie did." Although he has gained more since than any other American but Henry Ford ever gained his retiring was again commended to young men as an ideal. Although his retiring followed a similar step by Andrew Carnegie, it stood out as every act of the richest stands out from acts by richer and rich; many lesser fortune builders have followed the example and proclaimed the "cult," some of them to return to active business when the rising cost of living halved their fortunes, others to roam the world like lost souls.

Because of Rockefeller philanthropy, especially that which might come, and its financial power, other leading business men, teachers of economics and editors did not urge alternatives that might have been followed. They might have said to the world's richest man: "Mr. Rockefeller, before you retire from active business, won't you please use your power to make the industries from which your colossal income flows first of all model employers? Won't you, secondly, before devoting your life to philanthropy, make yourself and your industries model taxpayers? Won't you finally take the lead in helping big business formulate and practice the principles of model citizenship, especially in dealing with controversial problems by analysis and experiment rather than by force or stratagem?"

Not until 1925, two years after even the United States Steel Company, did the oil industry which Mr. Rockefeller turned over to other management thirty years earlier, adopt an eight hour day. Instead, it kept a twelve hour day all those years. Just imagine Rockefeller as leader for the eight hour day! Just imagine Rockefeller a militant model taxpayer! It is possible history would have recorded that the

public good and his own satisfaction from such leadership compared favorably with the good he has done by way of delegated philanthropy.

CHAPTER 87

SOCIETY'S EVOLUTION

AFTER any one has succeeded, it is easy for peddlers of sour grapes to explain how easy or accidental or inevitable that success was. It is also easy for peddlers of eulogy's sweet wine to lose sight of the successful man's help from other men and to explain his success by rare qualities of personality. Rockefeller has escaped neither extreme and like most successful men deserves a little of both.

Rockefeller's achievements prove that he had unusual powers of concentration, persistence, persuasion, with courage and calmness in the face of attack, and vision as elastic as the prospect of obtainable profits. It is equally clear that he owes so much to a peculiar combination of time, circumstances and public weaknesses that if he had started business ten years earlier or ten years later, he never could have ranked as the Crœsus of modern times.

For purposes of illustration rather than levity, a classic explanation is here quoted of a country newspaper editor's success in amassing a fortune of $50,000 in thirty years. For more reasons than one it will help the reader to interpret evidence from Rockefeller's life and work that his success was in very large measure due to society's littleness and weakness as well as to his own strength and acumen.

In retiring from business with $50,000, the country editor replied to those who wished to use his success as a formula for young men by a good-by editorial as follows:

"I attribute my ability to retire with a $50,000 bank account after thirty years in the county newspaper field to close applica-

tion to duty; always hewing to the mark and letting the chips fall where they may; the most rigorous rules of economy, never spending a cent foolishly; everlastingly keeping at my job with a whole heart,—*and the death of an uncle who left me $49,999.50.*"

Paraphrasing this explanation to fit Rockefeller's case, the reader can imagine him saying in his official biography: "I attribute my ability to retire at the age of fifty-six with $2,000,000,000 after thirty-three years in the oil business, to close application to duty; always hewing to the mark and letting the chips fall where they may; the most rigorous rules of economy, never missing a cent soft-heartedly; everlastingly keeping at my job with a whole heart,—*and to special privileges from common carriers like railroads and the unpreparedness of American business and government to readjust the rules of government and of trade rapidly enough to prevent me and my group from gaining virtual control of a world necessity.*"

Rockefeller's story helps us remember how largely every one of us is the product of his time. Rockefeller has been what the conditions of his time invited. He was not an inventor or imaginer. He distinctly denies that it was his mind which first pictured the possibility of world markets, world monopoly and world service. Later, in his philanthropy, he was a big giver, not a projector or inventor. More clearly than most of the men whom history calls great, Rockefeller has gone with the tide, using its motive power but seldom deflecting it.

Rockefeller Seized a Tide

If Morse had not invented the telegraph, if Whitney had not invented the cotton gin, or Bell the telephone, some one else would in time have done it, but that some one else was not then at hand as there were three aviators in 1926 to seek the North Pole and as radio inventors sprang up almost as

if by spontaneous combustion. But if Rockefeller, in the "scandalous decade," 1870 to 1880 just following the Civil War, had not created an oil monopoly out of the cupidity of railroads and the chaos of crude oil production, some one else would have done it because oil welled plentifully, the world cried for it, and the Rockefeller solution was an obvious one.

Neither Rockefeller's giant qualities nor his violation of ethical standards were out of harmony with his time. His practices were as like the practices of winning men in his background as a gallon of water from the ocean is like the rest of the ocean.

The patriotism that preserved the Union parallels profiteering during the Civil War which gives Rockefeller's exploitation of after-war weakness an almost innocent mien. For example, as Historian Thomas Beer recalled to *Saturday Evening Post* readers in 1929,—bayonets of polished pewter, tents of porous shoddy, coffee made of pulse and sorghum, carbines that exploded on the drill ground, blankets so long stored in Boston that water would not soak them to the thickness of a coin . . . rifles thrown away by ordnance officers in the east as unfit for real service sold to General Fremont in the west . . . rotten hulls at $900 a day for carrying soldiers down the Mississippi and "other versions of the wooden nutmeg." An oil man told me he had once offered a "present" to a railroad officer for hoped-for favors, but was almost kicked out of the office not because the gratuity had been offered but because it wasn't several times as big!

In every trade, at the time when Rockefeller started his manipulation of railroad rates, You were My natural enemy except as we temporarily or permanently made a truce to join in being the natural enemy of somebody else. This was such an accepted thing that there were not even hard feelings about it. It was taken for granted. No man was his brother's keeper in business. For every person who felt he was frozen out of the oil business by Rockefeller, there were

a thousand who lost to competitors the little they had invested in small town clothing stores, hardware stores, machinery stores and grain elevators.

The steps taken by Rockefeller to free himself from the devastations of competition occurred to hundreds of others, not merely with respect to national business but wherever there was such competition. The essence of the steps was the same in the truces of competitors in small towns. It took no supermind to see that cut-throat competition was cutting throats. It took no genius to suggest that the way to stop the injuries from cut-throat competition was to stop the competition and to start working together either by keeping out of one another's field or by going into partnership.

Rockefeller invented nothing. He did something vastly better, he applied a very simple reasoning on a scale which was very large because the transportation facilities and the possibility of communicating by telegraph made practical what had not up until that time been practical.

Rockefeller succeeded where dealers in brass and iron and shoes and fruit failed because the ingredients of the time made it easy to make a monopoly pie out of oil where the ingredients were lacking for a monopoly pie out of these other commodities. Oil for decades was concentrated in a little district in two states, Pennsylvania and West Virginia. The transportation problem was limited to ways out of that little district. Forty Rockefellers could not have accomplished the same result with wheat or cotton.

Another striking evidence of the adaptation to environment or evolution which Rockefeller expressed is the incapacity of the public to fit governmental regulations to the new facilities of transportation. So far as Rockefeller's part is concerned, it would have been the same in 1872 as it was in 1911 if the public had known in 1872 what it had begun to discover in 1911. All of the conditions have changed. The

methods of collecting information have improved. The methods of questioning witnesses on the stand have greatly improved. The public has found out many things that it can't do.

Coöperation a Natural Law

WITHOUT any lower freight rates Rockefeller had a great business advantage in his preference for coöperation over competition. This idea is ages older than Rockefeller, is in fact ages older than man. Disease germs are stronger as their number increases. Ten trees break the wind better if together than if apart. Ten streams united have more power than ten streams separate. All nature has taught for ages Ben Franklin's "We must all hang together or we shall all hang separately."

Wolves hunt in packs. Elephants hunt and fight in droves. Forty horses will join forces for adventure or protection. Fox hounds are braver when united. Sheer animal nature would have brought united action among many oil refiners and shippers had there been no Rockefeller.

Primitive man knew the advantage of team action. Early civilized man worked out coöperative ventures for the hunt, for theft and for war.

Cæsar did for Rome and her conquered world, and early popes did for scattered Christian churches, what Rockefeller did for oil; they centralized policy and foreign relations, they decentralized routine management.

Had Rockefeller been born a half century later, he would have found America's industry seeking greater profits by the coöperation or trust route as certainly as the Mississippi seeks its mouth.

Further proof of this is the fact that the Rockefeller idea did not originate with him; he says so himself. His elders in oil refining and even the producers at the wells had tried

several times to fight by coöperation. The South Improvement Company was proposed to, not by, him. He says the Western Union Telegraph Company beat him to the trust form of coöperation. What he did was to do the inevitable in a conspicuously successful way. Of eight hundred combinations or trusts by 1904, nine out of ten would have been there if oil had not yet been discovered, because it was an obvious next step for intelligent acquisitive minds to take.

Rockefeller says he thinks he was especially criticized not so much for inviting several refining companies into one huge company as for getting rid of middle men and selling direct to consumers. Just as uniting several master minds in one huge refining company brought more business, saved many salaries and reduced housing and selling expenses, so making their own barrels or tanks saved money. Having their own wagons and salesmen gave them the profit formerly taken by middlemen. For doing the same sort of thing the mail order houses and ten cent stores were later feared and hated as bitterly as Rockefeller ever was but without being accused of abusing any law.

Department stores are a part of the same evolutionary movement. After department stores with their costly raids upon small clothiers, hardware men, jewelers and candy dealers came several federations of department stores each with one central manager, one central auditor, one central statistical service and one combined plan for buying. Like Rockefeller, these store trusts leave the management to friendly competition among district managers, but unlike Rockefeller, they check up smallest local inefficiencies by comparative studies.

Coöperation in Better Repute

ROCKEFELLER is a symbol also of evolution in the public's attitude toward big business because of its bigness just as he

is a symbol of the "growing pains" of big business. He was the type "octopus" and gave it its reputation and color because people associated with size a conduct that was apt to be more successful when backed by bigness. The country passed the Sherman Anti-Trust law of 1892 to keep business from getting too big. Roosevelt shocked some millions and pleased other millions by distinguishing between "good" and "bad" trusts even after newspapers made fun of him for the distinction. We have gone so far in the direction which Rockefeller pointed in his business and prophesied in his book that Congress has now provided for large railroads to become even larger in the public interest.

Big business has survived partly because big business pays through cheaper production and lower prices to the public, but also largely because big business has gone even farther than little business in adopting ethical methods. This is not because big business is owned by 19,000,000 stockholders to-day instead of 4,500,000 in 1913, but because big business is under a supervision which prevents its doing anti-social things such as characterized it in the early days and still characterize too much of small business. Hence in 1927 the oil trade organized to stop overproduction and applaud the conservation which in Rockefeller's day would have been a "combination in restraint of trade."

So far has the pendulum swung against wholesale criticism of business bigness that Owen D. Young, head of the General Electric Company and chairman of the Reparations Commission of 1929, recently asked why *it was that a "concern which does not render service enough to make profits is permitted to use our labor of which we have not too great a supply, or our capital which is always difficult to get, for an unprofitable use to society?"* When Rockefeller asked this same question fifty years earlier, he was called an enemy of American opportunity; Mr. Young is called its spokesman.

CHAPTER 88

EVOLUTION BACKWARDS

THE beautiful and exceptionally deep Finger Lakes of Central New York, which claim Rockefeller as one of their boys, were gouged out of the earth by glaciers. The glaciers followed valleys already created by the irregular lifting of levels to mark the Appalachian range. It was not the ice which covered the valleys but the ice behind way back to the North Pole, that gave us the beautiful Finger Lakes. Similarly, Rockefeller was but the end of a glacier plowing the industrial valley that had been produced by previous convulsions of nature.

Like the tip end of the ice, Rockefeller has suffered from his plowing. The ice melted and disappeared, leaving its work behind. Rockefeller melted and in personality has almost disappeared. Everything has evolved upward but his own powers; they have progressively shrunken, and to society's loss.

If Rockefeller knew what he wrote in 1909, and if he is the man his son and advisers have reiterated, he has been unjustly dealt with and the public has been cheated. He has been allowed to deteriorate mentally and to shrink into a narrower and narrower world, whereas he might have grown to a mental stature reached by few men of any time.

If he is as well as his physician says, then he is capable of exercising his mind on gigantic problems as well as on numerica.

Instead of going forward, his mind has gone backward just as his face has wrinkled and shrunk until, as said earlier, with a little cap it would be almost identically his untutored grandmother's face when she was an old woman.

Whatever prompted him to shun meeting boards to which

he had given $300,000,000 should not have satisfied those boards. The necessity and the pleasure of explaining their policies to him, especially during the initial thirteen years when his first board was not explaining to the public, might easily have proved a boon to the work.

A Symbol of Devolution

It is a concluding tragedy of Rockefeller's life that in a period when evolution taught man how to keep the mind strong as age weakens the body, Rockefeller in spite of his munificence toward education and science became a symbol of devolution. Better to have lived a year or ten years fewer than to have let the flame flicker out when his own works furnished oil for keeping the flame aglow.

Rockefeller's personal unpreparedness did not shout until he retired from business. While building a great world industry, he had to keep his mind alert; he had to be constantly planning. He took enough time from his business for church work—for pottering around his country estates and conserving his friendship with his wife—to make what seemed to him a full life. Once he had taken off his business harness, however, and under his physician's orders had determined to shut business out of his mind, he was pitifully unprepared to use his many leisure hours efficiently for his own growth.

Until his wife died in 1915, he could not easily become fully conscious of this unpreparedness nor did he advertise it much to the world because he had to quite an extraordinary degree kept prepared for companionship with his wife.

Widowed and without any responsibilities except to keep himself alive, he found the tables turned. Men who were a by-word of unpreparedness for leadership in big business saw him become a by-word of unpreparedness for the business of living a big life. He had never learned how to use

leisure for his own and society's spiritual growth, except when leisure was contributing to the growth of his business. He could not understand Labor Day, believed there were already altogether too many holidays, kept his own employees at work on Labor Day until long after industry accepted the day as a helpful symbol. He lamented the progressive shortening of the work day and the working week. He never "tumbled to" the many changes that must accompany the extension of his substitution of coöperation for competition. He has never known himself as an economic fact or his time's economic revolution.

Too Few Lightning Rods for Culture

In other words, Rockefeller had out too few lightning rods for culture. He hadn't enough education stored away to enjoy regurgitation. He had learned how to make money work for him instead of working for money. He had not made culture, education, intellectual interests work for him with compound interest. His memory-and-question bank account had too little in it. He was unable to draw big enough checks upon it to want, or to win and hold, the friendship and companionship which his business and his giving would have brought to a prepared man in unbounded measure.

Being unprepared to want to grow mentally and socially, he has been passed even by his own philanthropies, of whose actual working he knows less than uninformed neighbors who have no army of attendants trying to keep them from interest in Rockefeller's giving. His mind has by wholly natural evolution—lack of exercise on vital problems—shriveled to the size of the golf ball that prolonged his life.

Evolved Upwards In One Way

In only one respect, apart from his giving huge sums, has Rockefeller shown preparedness to use the greater part of his leisure that is not spent on golf and driving. He long ago

disciplined himself to avoid making himself a nuisance by forcing opinions upon the world and by dabbling in ten thousand activities which he was unprepared to help. He might have been unprepared to resist handing out cure-alls as indiscriminately and as pitifully as he hands out shiny dimes. In this respect, he differs refreshingly from many men who, having retired from business, go about their worlds like roaring lions seeking flattery to devour and trying to find artificial substitutes for purposeful economic activities.

CHAPTER 89

MAN'S GREATEST COÖPERATION

JUST because social progress comes by change and growth society is always unprepared. It is needlessly unprepared to take prompt advantage of new opportunities, it is needlessly unprepared to prevent new injuries and to guard against new dangers.

When Rockefeller first planned for wholesale rebates and drawbacks, society didn't know how to prevent such secret favor. When the secret leaked out, society found a way to annul the first contracts and to repeal the Pennsylvania charter of the South Improvement Company, but even then society was unprepared to prevent Rockefeller from taking new rebates the very next day.

Laws against monopolies like Rockefeller's were passed, but society didn't know how to administer those laws so as to head off hundreds of trusts like this. Lawyers waxed fat in wealth and prestige by preparing big business to thwart society's preparedness.

The public was long helpless because it was unprepared to get what it wanted from its own legislators. Something always happened to enough lawmakers after election to keep state legislatures and congress from passing laws which the

public demanded, and even from conducting thorough investigations. There wasn't enough preparedness to keep the records of the first attempt at congressional inquiry into Rockefeller rebates from disappearing absolutely.

It took from 1872 until 1886 for a determined and outraged public to prepare itself for getting an interstate commerce law and a commission for enforcing that law. Even then the law gave no power with respect to shipping oil by pipe lines till 1902.

Armed with an interstate law and the machinery for enforcing it, the public was unprepared to prevent evasions of it. Rockefeller kept right on getting rebates and edging competitors off the log until his nominal retirement in 1895 and his final retirement in 1911.

Symbol of Public Unpreparedness

Of such public unpreparedness Rockefeller is the symbol and not the originator. Our country was unprepared without a civil war to settle its controversies over slavery and states' rights. Northern statesmanship and public opinion were unprepared to enforce the majority vote in favor of an indivisible union. After the Civil War, northern statesmanship was unprepared to help the south reconstruct itself and forced a period of unpardonable waste, corruption and blundering.

More recently Rockefeller has seen a whole world unprepared to prevent a devastating world war and, having fought it, unprepared to rebuild what it destroyed without creating chaos. Even our own country, enriched by billions because of this world war, and far enough from the fighting to forecast the aftermath, was unprepared to readjust its industries and prices to peace conditions without untold suffering.

The only working groups in our country that did not find themselves unprepared for peace and the restoration of the dollar's purchasing power were the labor unions; they suc-

ceeded in holding the vantage ground they gained during the war when wealth's ability to make war depended upon peace with labor.

Because men perpetually differ from one another in vision, self-interest, strength, propinquity to natural resources and great population, men will always differ in unpreparedness and society as a whole will be at points perpetually unprepared. Those in the rear of the procession will always be unprepared to see as soon and as far as those up ahead.

If we were all exactly alike in power, vision and surroundings, our unpreparedness would relate to the same thing. Since we are unalike in power, vision and surroundings, one man's poison is his neighbor's meat; one's misfortune is the other's fortune; the many's unpreparedness is the few's preparedness.

Rockefeller was less unprepared than other oil refiners to take advantage of railroads' competition for oil shipments. His competitors outside of Cleveland had only one railroad. He had three. Many of them had no water transportation competing with railroads. He had the lakes. Moreover, he was a better persuader, a better rememberer and a far better forgetter. He had partners who from the very first worked more intelligently against future unpreparedness than most of his competitors did,—the ablest, Flagler, being chosen by a creditor rather than himself.

Rockefeller and his company believed in the theory of statesmanship expounded by Theodore Roosevelt: "Try to be where lightning strikes." Besides protecting oil tanks and oil trains, they carried insurance against fire. They had metaphorical or statistical and financial lightning rods all over their business and were ready for good fortune or poor fortune, for a chance to buy out a competitor caught without cash and credit or to take losses without crippling their capacity for service.

Because Rockefeller gave his entire thought to one busi-

ness, he was always less unprepared than competitors who tried to straddle several different kinds of business or cared more for new pleasures than for new business gains.

Rockefeller's cultural unpreparedness and society's perpetual unpreparedness prove the fallacy of one Rockefeller aphorism, *"Providence never does anything in a small way."* On the contrary Providence is always doing big things in a small way, is always mixing big things with little things.

Coöperation Through Government

PROVIDENCE gave Rockefeller a giant opportunity and giant capacity to seize it, but also gave him fellow voters with stunted power over their own governmental machinery for protecting themselves.

Providence gave Rockefeller the elevation from which to see that man's greatest coöperation can come only through enlightened and efficient government but it did not open his eyes to see it. Instead it gave a small vision for a big view. Man alone can bridge the gap between long view and short vision.

Because for big results Providence requires man's cooperation Rockefeller's princely giving can be a perpetual glory only if it helps man coöperate where coöperation is most needed and most fruitful when efficient, namely, through and upon popular self-government.

By coöperation through and upon popular government—thanks to science, governments and teachers like Rockefeller's agents and a handful of American heroes like Dr. Walter Reid who gave his life to test the mosquito origin of yellow fever—it will soon be literally impossible to die of hookworm, malaria and yellow fever even if you try. In this triangle of coöperation, Rockefeller has been important but governments have been indispensable. By similar awakenings of governments even greater gifts of human happiness can easily be insured and diseases in the body politic

far worse than hookworm or yellow fever can be eradicated.

Only by coöperation through and upon government will the Mississippi be made safe for democracy, for agriculture and for homes.

Only by coöperation through and by government could the country's industries have been enlisted in the studies that are eliminating waste by the billion dollars.

Only by coöperation through and upon government can educational wastes be stopped that are vaster than industrial waste thus far discovered.

Only by coöperation through and upon government can the preventable levies of crime, fraud and casualty be minimized.

Only by coöperation through and upon government can science be used for the progressive emancipation and benefit of all mankind.

Only by coöperation through and upon government can the kernels of truth in sovietism and fascism be separated from their terrorism, destructiveness and suppression of that individual initiative which stamps man free.

Only by such coöperation can world peace be more than a dream.

Valedictory

THERE is still time for Rockefeller to see this and to ask his octopus foundation to see it and act accordingly. Instead of symbolizing avoidance of attention to government and disparagement of government's service to education and philanthropy, Rockefeller can ask the boon of symbolizing man's greatest coöperation, namely, coöperation for and through efficient popular government. For over fifty years he has stood for using, fearing, despising, evading and circumventing if not debauching popular government; for eternity he can stand for improving it by showing its co-operators, including all rich foundations, how to keep light upon its methods, results and possibilities.

PART VII

Bypaths and Sidelights

1. Composite of 32 History Texts on Rockefeller, Oil and Trusts

2. What Rockefeller Means to Young America

3. Minor Portraits

4. 1872 Press Comment on the Oil War of 1872

5. Questions Posterity Will Ask About Rockefeller's Iron Fortune

6. Rockefeller's Forgettery *vs.* Inept Questioning

7. What Bankers Teach About Rockefeller as a Fortune Builder

8. Rockefeller's Defensive Tactics

9. Explaining His Enemies

10. The Case of Mrs. Backus

11. 1,000 Editorials of 1907 on "A Niagara of Benevolence"

12. 18 Opportunities Lost for Describing College Salaries

13. "College and University Finance"

14. More Careful Accounting Needed

15. Rockefeller Foundation's Stewardship

16. 25 Typical Questions for Rockefeller Research to Answer

1—See Chapter 4

COMPOSITE OF 32 HISTORY TEXTS ON ROCKEFELLER, OIL AND TRUSTS

In time to help the North in its war for our nation one and indivisible, coal oil or petroleum was "struck" in Pennsylvania in 1859. By 1860 it yielded 200 barrels a day, by 1891 the daily yield was 14,900 barrels.

Hundreds of individuals and small companies soon engaged in drilling oil in the Pennsylvania oil regions and refining it there and at Pittsburgh, Cleveland, Philadelphia and New York.

Still mightier leaders appeared of even greater imagination, revealing the magic strength of coöperation on a national scale.

Under Rockefeller's skillful management, his company [of 1870] soon began to absorb the other like companies. He who has the greatest share of ability is bound to climb to the top.

Large and powerful shippers received back a considerable fraction of what they had paid for transportation, while smaller shippers whose favors were comparatively negligible were mulcted to the full extent allowed by the law. Railroads made secret rates to get business.

Price cutting in oil threatened to ruin those engaged in the industry as early as 1879. This led a number of companies in Cleveland, Pittsburgh and Philadelphia to unite in price fixing in 1882. It soon rose to a dominant position. Rockefeller was head inventor and chief promoter of this price-fixing combine, called a trust, not incorporated. He was a shrewd manager, but especially a shrewd manipulator of railroad transportation and held control of traffic by means of special rates and rebates. His purpose was to increase profits by eliminating competition. Thus his combination grew powerful enough and its management was unscrupulous enough to compel railroad companies to set up secret discriminations for it and against its rivals until it absorbed or killed off most of the oil companies in the country. It drove nearly all competitors out of the oil industry or compelled them to join it. By grossly unfair and tyrannical methods, it made broken men or suicides of honest competitors.

A powerful lobby long prevented legislative interference and Rockefeller was generally successful in the courts. His trust, when convenient, could easily deny knowledge of the doings of subordinate companies.

The trust never reduced prices enough to correspond with the decreased cost of production. Like other trusts, it was a natural growth and by producing in enormous quantities reduced rates but did not always give the public a full share in their benefit.

Reforms Due to Rockefeller

ROCKEFELLER by his genius for finance acquired vast fortunes. He was one of the captains of industry who wielded a mighty influence over the financial and industrial affairs of the nation. His success in building up a great monopoly through discriminations in freight rates had a large influence in securing the interstate commerce commission [of 1887] which had power to fine railroads but not to imprison individuals. It had at first no power over oil pipe lines.

Rockefeller's was the first successful trust and he was its head and founder. [McMaster says the Western Union set Rockefeller an example and the Catholic Schools history says the railroads started before Rockefeller did.]

Trusts were too powerful, broke down business rivals by unfair means and would not let new enterprises be established; after driving rivals from the market they would fix prices. [The pros and cons of trusts, here given, are taken chiefly from one text.]

In many instances the roads helped trusts to crush out competition and ruin the small producers by charging them higher rates.

Trusts secured immense advantages over their rivals from discrimination in their favor by railroads, i.e., by rebates. In many instances the favored shippers were themselves heavy stockholders in the railroads.

Interlocking directorates made it possible for a single organization like Rockefeller's to control a great many industries.

Objections to Trusts

SOME trusts used dishonest methods.

Conditions grew from bad to worse or from strong to strongest trusts until in the administration of President Arthur, following the death of President Garfield in 1881, a loud outcry was raised against great corporations on the ground that they used their

money to bribe legislators in order to secure improper privileges; that they fixed prices to the injury of the country; and that they imported cheap labor to increase their profits.

The great corporations were accused of stifling competition, of buying legislators, securing special privileges and favoring some customers more than others.

Coöperation on a national scale had magic strength. As a matter of business, trusts and pools as a rule have been a good measure. The business effect of the trusts was good. But the moral effect was bad because they were often controlled by unscrupulous men. The most dangerous fact was that the trusts often controlled legislation.

Trust Evils

PERHAPS the greatest evil of all lay in attempts of many large corporations to control courts, legislation, and even the United States congress in their own interests.

The Rockefeller lobbies were successful against legislative attacks because his legal advisers were keener and more energetic.

In 1911 the Supreme Court decided that [Rockefeller's company] was violating the law, and ordered its dissolution. It strictly obeyed. A few years earlier it was fined $29,240,000 or $2,000 on each of 1,462 counts, for secret rates in 1906 of 6 to 6¼ cents where others were having to pay 18 cents. [The one history which reported this did not say that the fine was dismissed by the Supreme Court as unconstitutional because of the way the case was tried by Judge Landis, later "baseball czar."] The attempt of the Sherman Act of 1892 to curb this and other trusts was a futility.

In nearly all gigantic undertakings, the same great leaders in finance were more or less intimately associated.

Roosevelt insisted that there were good and bad trusts, but prosecuted the Rockefeller trust as a bad trust.

Rockefeller Giving

ROCKEFELLER made many large gifts to education, health and other objects of human welfare; gave $50,000,000 to the General Education Board for the main purpose of the promotion of practical farming in the South. The first funds used in combating the boll weevil came from the board [untrue] as did the development of public schools in the South and higher education

throughout the United States. He gave millions to the Rockefeller Institute for Medical Research and to the Rockefeller Foundation which is combating the hookworm disease, studying industrial relations, providing serum for control of meningitis and other dread diseases, helping the Red Cross and other missions. [Texas author.]

Rockefeller in Encyclopedias

A WITTY and erudite New Yorker, former Tenement House Commissioner John J. Murphy, defines an encyclopedia as a "compilation of accurate information about any subject with which you are not familiar." The encyclopedia habit is very common in our country. Unquestionably, Americans gain more knowledge and impressions about people and places from directories than from formal biographies, selected readings and university instructions. Our encyclopedia habit is waxing rather than waning and unless something quite radical happens to our history text-books, the Rockefeller of posterity will be the Rockefeller of encyclopedias. So true is this that we might paraphrase the wise man who said that he cared not who wrote the laws of his country if he could write its songs into this challenge: "It matter little what is written into formal biographies unless their facts seep into encyclopedias."

Thus far, the Rockefeller of our American encyclopedias is on the whole the Rockefeller of his own autobiography, except for inaccuracies that give point to the ironical definition of encyclopedias as compendiums of accuracy until you match them at some point where you have precise knowledge.

The *World Book,* 1917, is edited by a noted educator, Professor M. V. O'Shea of the University of Wisconsin. It gives about one-third of a page to Rockefeller, and a little more than a third to two of his foundations. The basic picture condenses into this:

> Rockefeller is a man of extraordinary business talent early manifested. In 1862 when twenty-two years old he began to formulate the policy that was destined to earn him a huge fortune, namely, the wiping out of competition in the oil fields. After annihilating competition in the oil industry throughout the country, he organized a gigantic corporation managed from New York. His company was ordered dissolved by the United States Supreme Court in May, 1911, on the ground that a combination in restraint of trade existed. After 1911 he devoted the greater part of his time to philanthropic enterprises which he had been developing for many years. By 1917 he had given $90,000,000 of his fortune to the public welfare of which $100,000,000 was for the Rockefeller Foundation to be used for the advancement of civilization throughout the world.

He is the only billionaire. In 1915, his riches were carefully estimated at over $900,000,000. In 1916, owing to war demands for American goods he became a billionaire, the world's only billionaire.

It is the *World Book,* and not this writer, that makes $100,000,000 part of "nearly $90,000,000." That slip is one of a dozen in a third of a page. Rockefeller did not go to school at Richford, New York, but left it when a baby. He did not move directly to Cleveland. His parents did not go there in 1853. The $1,000 he borrowed from his father when eighteen was not evidence of "extraordinary business talent." He did not become "head of a commission firm of his own"; he was the junior partner. Samuel Andrews was hardly a prosperous oil refiner when he joined Rockefeller, but an inventor seeking capital. There is no indication that Rockefeller formulated as early as 1862 the policy of wiping out oil competition; he had then just bought into oil. The firm's name was not changed in 1865 and his Standard Oil Company was not started that year; it was the Standard Oil Trust and not the Standard Oil Company that organized in 1882. Rockefeller's retirement was not in 1911 but, he claims, in 1895. At no time did he devote "the greater part of his time to philanthropic enterprises." By 1917, he had contributed not "nearly $90,000,000" but over $200,000,000. The endowment of the Rockefeller Institute for Medical Research was not $1,825,000 but over $10,000,000. Rockefeller's birthplace, a farm near a tiny farm hamlet, is not a city. There is not a syllable about the refusal of congress to vote a charter for the Rockefeller Foundation or about rebates or drawbacks or espionage, or the South Improvement Company. A fulsome article about Rockefeller's son and his philanthropies helps overshadow the economic meaning of Rockefeller.

Yet even this encyclopedia story is an attempt which is more than can yet be said of most encyclopedias. To help future biographers for encyclopedias and the encyclopedic "morgues" of newspapers and magazines is one motive for *Rockefeller—Giant, Dwarf and Symbol.*

Wells Missed Rockefeller

ROCKEFELLER'S name does not appear in Wells' *Outline of History,* which holds the sales record for popular histories.

Does this argue Wells' ignorance, an astigmatism in Wells' judgment or Rockefeller's unimportance when set against the screen of world history?

The omission of Rockefeller's name and achievements from Wells' history has more interest than significance, except that it means an enormous audience interested for the first time in history which has failed to get the wherewithal for thinking straight about many of the most important problems of their time. Wells found Washington "a conspicuously indolent man." He never discovered Eli Whitney who invented the cotton gin, or S. F. B. Morse who invented the telegraph, or Alexander Bell, who invented the telephone, or Edison the wizard of electricity, or Burbank the plant wizard, or Marconi the wireless wizard. Wells saw in Robert Fulton only an American who had not invented what Wells calls a British-invented steamboat with a British-built engine. Wells didn't discover trusts or monopolies, or large centralizations of property, or huge benevolent foundations. Perhaps, therefore, except for education's loss, his omission of Rockefeller is only a disparagement of the Wells measuring-rod for what is historically important rather than of Rockefeller.

2—See Chapter 4

WHAT ROCKEFELLER MEANS TO YOUNG AMERICA

Several college classes in economics and politics filled out blanks calling for information about Rockefeller. These were young men, most of them about to graduate. They have had far better opportunities than the average man to become acquainted with the significance of Rockefeller. The reason given for asking them the questions was as follows:

Business in History

Last week the New York Times *quoted a protest against underemphasis upon business in American histories. The following short test seeks facts that are now uppermost in the minds of students who have had far more American history than the average newspaper reader respecting one of America's best-known men, John D. Rockefeller.*

As to his age, 2 had him under seventy, 1 as young as sixty-five; 9 had him in his seventies; 7 had him over ninety; of 49 who placed him in the eighties, only 1 had him at his right age; 10 thought he was eighty, while 15 thought he was eighty-two or three.

As to his fortune, 7 of 67 gave no answer; 1 thought he was one of the three wealthiest men in America; others credited him as follows:

1	with	$50,000,000	4	with	$1,500,000,000
4	"	100,000,000	7	"	2,000,000,000
1	"	250,000,000	2	"	2,500,000,000
1	"	300,000,000	2	"	3,000,000,000
3	"	500,000,000	2	"	4,000,000,000
2	"	750,000,000	2	"	5,000,000,000
24	"	1,000,000,000	1	"	15,000,000,000
			1	"	100,000,000,000

These students know him best for seventeen different reputations: Oil magnate, 23; philanthropist, 16, of whom one called him "philanthroper"; richest man in world, 6; early oil man, 4; capitalist, 4; financier, 4; business magnate, master of capital, energetic man, founder of Standard Oil, contributor to scientific purposes, distributor of milk for children, trust organizer, advice giver, money maker, golfer, 1 each.

Ten thought he was still active in business, fifty marked him retired.

Oil was credited with his fortune by all but one, who marked his fortune due to railroads.

Of his gifts, ten had no estimate, two answered "billions," four $500,000,000; four $300,000,000; one $800,000,000; one $750,000,000; eight $250,000,000; eight $100,000,000; two $75,000,000; one $70,000,000; seven $50,000,000; one $30,000,000; four $20,000,000; seven $10,000,000; two $5,000,000. Three credit him with giving away dimes on his birthday, one with gifts totaling $10, a dime at a time.

Of his birthplace, 12 had no idea; 14 stated correctly on a farm; 26 incorrectly in a small town; 6 in a small city; and 9 in a large city.

As to parentage, 25 correctly reported that he was born in modest circumstances; 2 marked well-to-do; 36 very poor; 4 did not answer.

All Knew He Missed College

As to his education, 9 thought he finished high school; 53 wrote correctly that he did not; all knew that he did not go to college.

His age when beginning business, 16, although repeatedly advertised in anniversary stories, was given by only two. The

range indicates the guessing which applies to more serious matters than Rockefeller's age:

8 years 1	9 years 1	10 years 7
12 " 5	13 " 1	14 " 4
15 " 3	16 " 2	17 " 2
18 " 4	19 " 2	20 " 5
24 " 1	25 " 2	40 " 1

His place of beginning business, Cleveland, is correctly given by but one. Other places mentioned are New York, Pittsburgh, Chicago, Philadelphia, and Texas.

Filling in the sentence *"He is known as the father of . . ."* 18 mentioned Standard Oil; 5 mentioned oil business; 5 philanthropy; 6 modern trust; 1 each gasoline and finance; and 7 John D. Rockefeller, Jr.

To see how these college seniors and juniors located Rockefeller's main activities, the question was written, "If histories described his part in business development, their main story would relate to the years between —— and ——." Only 15 approximated the correct period.

A similar question respecting the period of his philanthropies showed no definite idea.

"The chief change in business methods generally credited to him" brought these answers: trust, 17; mass production, 12; large scale business, 2; corporations, 7; consolidation, 6; monopolies, 2; mergers, 3; holding company, branch distribution, and quick overturn, 1 each; no answer, 12.

"The government agency that was started largely because of public discussions of Rockefeller business" brought 44 correct answers, interstate commerce commission; federal board of trade, 2; anti-trust commission, 1; no answer, 20.

"The chief federal law that resulted largely because of public discussion of his business" is correctly given as the Sherman Anti-Trust Law by 56; the Clayton Act by 2; the law against monopolies by 1; no answer, 8.

"The three public gifts considered most important" included the Rockefeller Foundation, 31; Rockefeller Institute, 28; medical endowments, 6; but 8 didn't even guess, 1 guessed all wrong, 19 mentioned only one gift; 13 mentioned two or three but only one right; 15 gave two right; if indefinite answers like "benefits" be included, 9 gave three right, but only 3 were specific.

Influence on Students

"Rockefeller's life work affects my daily life as follows": 13 said it did not affect their lives at all; 16 felt it in the price of gas, 1 saying "gas at 23 cents a gallon." Other answers indicate a fertile field for effective instruction in economics and government. For example, "very little at present . . . as a student, none . . . interested in his doings casually . . . curious as to number of strokes in golf game . . . many ways not apparent . . . transportation . . . Y. M. C. A. gifts . . . health conditions . . . development of automobile . . . study of trusts . . . medical studies."

Other ways in which Rockefeller affects college seniors would gratify him: "Impetus for inspiring me . . . shining example of poor boy rising to zenith serves as stimulus . . . shows opportunities for an ambitious, clever man . . . never be discouraged, take advantage of opportunity . . . infinitely . . . reward for hard-working youth . . . great philanthropist . . . look forward to a day when I can be as supreme in my field as he is in his . . . I rise early, work hard, save diligently . . . makes me optimistic for the future."

Only two find a fly in the ointment: "Early life not worthy example and methods. . . . An example in the unscrupulous risks he took in starting business."

How would answers have differed if 700,000 college students had been questioned instead of 70?

3—See Chapter 5

MINOR PORTRAITS

The Marcus M. Brown effusion was privately printed and was like this: "Rockefeller stands absolutely alone . . . is profoundly educated . . . one of the world's best prepared men of our time . . . knows the *Bible* perfectly well . . . Wall Street elements constantly instigate calumny against him for business reasons. . . . *With his name left out, the history of education and religion could not be written.*"

This was only "tit for tat," considering the way Rockefeller was being manhandled by many magazine writers. In the *Arena* for August, 1905, for example, W. G. Joerns matched eulogies with a score of unredeeming qualities and conclusions like these:

"There are worse men than John D. Rockefeller. There is probably not one, however, who in the public mind so completely typifies the grave and startling menace to the social order. It is a great moral crime to talk of his generosity and love. His donations are only a bribe and the willing bribe takers are his apologists. There is no convincing evidence that the light of God has yet entered his soul. He is the most cordially hated man in America . . . an old man with one foot already in the grave."

So little was Rockefeller's personality known in 1903 that *Munsey's Magazine* carried a photograph of some one else as Rockefeller's in an article by Harvey Sutherland on richest men.

Julian Ralph in the *Cosmopolitan,* 1907, had Rockefeller starting in oil at St. Louis, not Cleveland, and becoming the "greatest captain of industry, master of finance and master in the industrial field of whom surprisingly little is known, whose total wealth is known only to himself and whose success is due to perseverance."

A foreign reviewer of the same time, writing in *La Revue* and quoted in the *American Review of Reviews,* edited by a Rockefeller trustee, declared Rockefeller one of the most dangerous men in the world, "a great master of the criminal code who has never lacked in boldness, whose mission has been to demonstrate that crime against fortune is safe, first to violate the law against trusts and the one who violated them most openly and most frequently. He makes his way over a road strewn with ruin and devastation to the conquest of his empire."

In a *Cosmopolitan* article on *"Dreamers in the Business World,"* May, 1900, Rockefeller was credited, contrary to his own later testimony, with having "dreamed of thoroughly organizing a business which was at that time conducted in a haphazard and wasteful manner [so as to] bring the production of oil to the minimum of costs. . . . To-day [five years after he now says he retired] he threatens to dominate the entire world—all the result of an idea strenuously pursued."

Earliest Personal Biographers

ROCKEFELLER'S earliest personal biographer was Mrs. S. K. Bolton in *Famous Givers,* 1896, shortly after Rockefeller's money started the University of Chicago. Among ingratiating qualities not then widely associated with him, she endowed him as follows:

good listener;
good talker;

thirsty for knowledge;
wide and varied intelligence;
lover of trees, never allowing one to be cut if not necessary;

belongs to few social organizations;
member Empire State Sons of Revolution;
children reared simply;
no lavish use of money for children's pleasure;
daughters know how to sew;

modest and gentle in manner;
unostentatious;
kind of heart;
complete self-control;
grateful;

great power of concentration;
systematic in everyday life;
loves bicycling;
fond of flowers;
knows birds by song or plumage;

never tires of the beauties of nature;
courteous to servant as to millions;
social and genial;
enjoys pleasantry of bright conversation.

His success was attributed to seven factors: industry; energy; economy; good sense; steadiness of character; ability to command attention; careful attention to business.

B. C. Forbes in *Men Who Are Making America,* 1917, credits Rockefeller with having created "the most wonderful enterprise ever created by the brain of man"—an opinion echoed in 1926 by Henry Ford and reëchoed by the Brisbane syndicate to newspapers. Besides the oft repeated details about Rockefeller, Forbes' short biography has Rockefeller say: "I have never done anything worth writing a book about" and "We were not really the first to adopt the combination idea. The Western Union Telegraph people had begun to bring up two or three small telegraph lines and add them to their system."

A "Lone Wolf"

In *Famous Living Americans* by Richard Gilbert Collier, 1915, Rockefeller is called "the paramount enigma of the world's notables, a sort of lone wolf with whom aloofness has been second nature.

He has shunned publicity, never friendly, with an insistent hostility. His public utterances, few and guarded, have failed to imprint upon the American mind any satisfying conception of his personality, ambitions, or sentiments. His friendships have savored more of close business relationships than warm personal regard. Few men have enjoyed intimate relationship with him and they have kept their impressions to themselves. And to-day no man at all approaching him in position and in importance in contemporary affairs is so little understood and so little appreciated."

The Rockefeller of 1915 was described as a gracious, kindly, human individual with a keen interest in human affairs and a gift of expression, though the biographer does not explain where he found any evidence to justify these statements. Rockefeller's "passion" for landscape and road building is again extolled although as elsewhere there is no mention of his having helped his country or his states deal intelligently with their road problems. In the oil business Rockefeller is credited with "having set the pace in every development" in spite of the record that many very important developments started with competitors trying to circumvent Rockefeller. Rockefeller's giving is called unobstrusive, in spite of the fact that by 1915 it had become the practice to use Rockefeller's conditional pledge as a crowbar with which to obtrude appeals upon people unconscious of interest in appealing colleges.

One important change was noted at that time, a by-product doubtless of Tarbell's earlier biography and distressing picture of Rockefeller's lonesomeness: "To-day the human side of Mr. Rockefeller is being displayed where formerly only his insatiate thirst for wealth which was rather zest for achievement was apparent. While it was once well-nigh impossible to obtain his likeness, to-day he faces the camera smilingly and without hesitation."

Famous Leaders of Industry by Wildman, 1920, says to boys that Rockefeller "is doubtless the most successful business man that ever lived."

History of Great American Fortunes by Gustavus Myers, 1910, summarizes Rockefeller's relation to railroads and trust building.

Maximilian Harden in *Monarchs and Men,* 1912, contrasts the spirits of Rockefeller and Tolstoi. The next year a fellow German, De Witz, gave fifteen pages to Rockefeller in *Mammonarchen,* a title soon imitated by Von Durchen in *Monarchen und*

Mammonarchen. In 1926 an adulation, *Der reichste mann der welt,* is Germany's contribution.

Benjamin F. Butler, in 1880, wrote an appeal to congress to investigate Rockefeller's oil methods, which he said were making oil 50% higher within 250 miles of oil wells than 500 to 1,000 miles away. He asserted that Rockefeller was "always in some other state when an investigation is going on." Rockefeller's escape from trial for the conspiracy indictment of 1879 was attributed by General Butler to "the dangerous influence of corporations with legislative, executive and judicial departments of government" and to the court's powerlessness to "punish these crimes."

Official Biographers

The findings of the United States bureau of corporations in 1907, the interstate commerce commission from 1887 to 1911 and the Hepburn commission (New York) on transportation evils up to 1879 are three other basic biographies, as are particularly Ohio court records. They are superseded for lay students by the Supreme Court decision of 1911.

Bureau of Corporations

It is true that the Supreme Court's biography confirms in large measure, as the attorney general used, the findings of the United States bureau of corporations in 1907, headed by James R. Garfield, son of the president. Because the animus of President Roosevelt's investigators of Rockefeller was called political and because Rockefeller refused Roosevelt's invitation of 1907 to come to Washington to talk over evidence accumulating against him, the bureau of corporations is not cited here as a Rockefeller biographer whose findings posterity will accept.

Interstate Commerce Commission

Two earlier official biographers rank with the United States Supreme Court in authority and significance. They are the interstate commerce commission, particularly in its first year 1887 and the years immediately following, and the so-called Hepburn Commission for the New York assembly investigation of 1879. These will always be among the chief photographs of Rockefeller's work.

The interstate commerce commission gave a good part of its

first years to complaints against Rockefeller railroad favors. Its decisions do not criticize Rockefeller. They merely order railroads to stop favoring him . . . "giving undue and unreasonable preferences and advantage to [his companies] and others." Roads which received such orders included the Louisville and Nashville, St. Louis, Cincinnati, New Orleans and Texas Pacific, Mississippi and Tennessee, Newport News and Mississippi, etc.

Hepburn Commission 1879

THE Hepburn legislative study, thanks to chairman A. Barton Hepburn but chiefly to Counsel Simon Sterne, a New York lawyer, first furnished by the Chamber of Commerce of the State of New York, is the most careful legislative study of Rockefeller's profits from railroad discriminations. Of the free freight for oil from Pennsylvania wells to Cleveland and Pittsburgh the commission asked: "Could any more flagrant violation of railroad economy and natural justice be imagined?"

Just why Rockefeller was permitted to ignore the summons to testify has never been explained. Mr. Hepburn became a Rockefeller trustee nearly four decades later, an ultra conservative Wall Street banker, who must at times have shuddered at his young manhood's temerity in reporting of Rockefeller's oil trading in 1879:

1. He got lowest rates, plus 10% rebate, which he farmed out to those "in harmony with" him.
2. He dictated terms to roads.
3. He got a 20% rebate on oil shipped through pipe lines.
4. He had gone on buying out and freezing out all opposition until he had practical control, *i.e.*, 90 to 95% admitted by his partners.
5. Parties whom Rockefeller had driven to the wall had had ample capital and equal ability in the prosecution of their business in all things *save their ability to acquire facilities for transportation.*
6. Right while the committee was sitting the railroads joined Rockefeller in a rate war against pipe lines, not for themselves or the public, for the oil could easily have afforded a higher rate. *"They buried their own interests in the interest of [Rockefeller's company] and joined in the war of rates to protect it against injury to competition."*
7. Rockefeller was subpœnaed and personally served but did not come.
8. Railroads had failed to do their duty in equipping themselves with "the instrumentalities of carriage for the traffic they undertake to carry" and thus helped Rockefeller drive others from the field.

The Chamber of Commerce of the State of New York, for its insistence upon the Hepburn investigation, its plain speaking, and

its moral and financial insistence upon the truth no matter whose ox was being gored, deserves honorable mention as a pioneer biographer of Rockefeller, whose son is now one of its vice presidents.

"The Rise of American Civilization," 1927

THE authors of this ponderable contribution to American history say the Hepburn commission's results were not ponderable. They do not tell of Rockefeller's scorning the summons to appear, nor do they give enough weight to the ponderable benefits of circulating such conclusions as above, even among people who are not yet prepared to use such light.

To Rockefeller they give five references: a bare mention of his university; a list of the presidents he had seen come and go; a line in the "peerage of the new industrial age"; a line recalling the South Improvement Company charter; and ten pages on himself and his oil company. Rockefeller is credited with being *thrifty, silent, tireless, unrelaxing for the oil industry, ferreting out waste and inefficiency, improving its processes, effecting economies and enlarging its sphere.* He is given "but one consuming passion—organizing the oil industry and reaping the reward."

The popular view of Rockefeller's oil career is called "distorted" because Miss Tarbell's "record is a drama with heroes and villains, rather than a cold and disinterested summary by an impartial student." She is accused of a "general animus." The authors disparagingly ask if "the public, the politicians, and the consumers would have been more fortunate in the hands of Miss Tarbell's heroes than under the imperial sway" of Rockefeller's company, whereas posterity's question and Miss Tarbell's is whether society need have faced either horn of the Beard dilemna. They continue one distortion, the slip by Miss Tarbell which charges Rockefeller with perjury in denying that he had belonged to the South Improvement Company.

4—SEE CHAPTER 18

1872 PRESS COMMENT ON THE OIL WAR OF 1872

"IF all that the Titusville people believe is true they have good ground for alarm," said the *Cleveland Daily Leader,* February 25, the day before the new freight rates were published to con-

firm the alarm. "The South Improvement Company is a natural and as the world goes a legitimate reply to the desperate attempt recently made by Titusville and Oil City to break down and swallow up the refining interests of Cleveland. . . . The ambitious giants of the oil regions felt that they must freeze out the Cleveland and Pittsburgh refiners and play the whole game themselves . . . forcing them to dance as the men of the Creek might choose to fiddle.

"For ourselves it would be impossible not to admire the rare ability employed by the refiners of this city [Rockefeller and partners] in making Cleveland in spite of geographical disadvantages the leading refining center of the world. We see no reason why Cleveland should not regard the situation with complacence."

Two days later this same paper said editorially "Titusville and Oil City are beginning to cool down in their opposition to the South Improvement Company."

How cool the oil regions were we can imagine from the following headlines:

THE BIG BEAR COMBINE

PLUNDERING PRODUCES ENTERPRISE

FORTY THIEVES

Of the name South Improvement Company an editorial the same day said: "The men who go into it will need *'improvement'* and their safest place will be *'south,'* a good ways south of the oil regions." Shortly afterwards came this display advertisement:

1000 MEN WANTED
SPECIAL ELECTION FOR 1000 EXTRA MEMBERS
OF THE LEGISLATURE DESIRED

Besides describing mass meetings of 3,000 men in Oil City and 3,000 others in Titusville where rumors and threats vied with one another, the oil region papers carried appeals, threats, sarcasm and dire prophecies: "Thirty thousand men want to see [the president of the South Improvement Company, not Rockefeller]. We all want to hear him get off the smooth story he did when he was putting the Jimtown road into Oil City. . . . It

would not be a salubrious climate here now for [six oil men and two railroad presidents, Rockefeller not mentioned]."

Since there was no cooling down and since Titusville and Oil City antagonism kept getting hotter and hotter an impartial researcher must wonder if the foregoing Cleveland editorial attitude was "accelerated" from Rockefeller's office or from a desire to win its favor. Such a suspicion was voiced shortly afterward in the *Oil City Derrick*: "It is stated that immediately upon the uprising of the producers, Mr. Rockefeller subsidized the Cleveland press, requesting it to say nothing inimical of himself. Self-condemned let him be kept before the people."

March 5, the *Cleveland Leader* noted that two days before an oil tank belonging to the combine's leader had been tapped by "some of the high minded opponents of the combination." The opponents claimed this had been done by some insiders wishing to seek revenge and cast discredit upon oil producers.

Again the *Leader* prophesied that "the white heat into which the oil men have worked themselves will soon burn itself out." This prophecy must have seemed plausible to most Cleveland readers when they read the following appeal to local business pride and cupidity:

> "Buffalo and Philadelphia are both hungry for the large refining business of Cleveland and they will both do their utmost to keep the quarrel open. . . . Erie too. . . . It is the business of towns and corporations to be selfish and ambitious, and this great oil fight is simply the struggle of six men for a cake that three can eat. The spring demand for oil which will come in a few days hence will turn the thoughts of the talkers from words to business. Only then will peace settle upon the oleagenous mind."

The oleagenous mind in this case refused to fulfill the Cleveland prophecy, for the white heat kept getting whiter and hotter. Two days later there was unveiled at Franklin a picture of the typical oleagenous bovine furiously on the rampage horning railway men. Rockefeller was not in this picture.

Personally Conducted

How modernly Cleveland readers were being "personally conducted" is shown by a later *Leader* editorial: "Now the peppery little papers of Oil City are rearing and pitching because the *Associated Press* does not telegraph all over the country long reports of meetings held in that region to hurl defiance at the South Improvement Company. The idea is that the Producers' Com-

bination doesn't look so large to the rest of the world as it does to the oil country."

Even Cleveland rebelled against this flippant and one-sided description of what history later records as a critical period in America's industrial development. F. M. Backus, whose widow claimed six years later that Rockefeller had morally if not legally beaten her out of a lucrative business, wrote to the *Cleveland Herald* that "instead of being Cleveland's salvation, the South Improvement Company and its whole gigantic structure is established upon fraud as a basis and ought to come down."

Rockefeller Rage

At this juncture the oil regions paper said:

"It is said that Rockefeller is so enraged in his disappointment over the course pursued by the producers [in limiting production and refusing to sell crude oil] that he asserts his determination to carry out his plans at all hazards; that the people in the oil regions are a set of fools and don't know their interests and that the South Improvement Company will show them its power. The absurdity of such assertions is only equaled by their weakness. Mr. Rockefeller is said to be a church 'pillar' of the Baptist church but he would make a better pillar of salt, although we would not give much for the article. . . . Had he been a member of the Oil City Oil Exchange his financial, social and moral standing combined would not have protected his position."

When the *Cleveland Leader* said: "The South Improvement Company, secure in its position and confident of ultimate victory, has remained quietly in its camp waiting for the storm to blow over," the *Oil Derrick* of March 22, rejoined: "That is precisely what Tweed [Tammany boss, of New York] did and he waited until the storm blew him over."

Miss Tarbell's father figured in the news at this hectic time: "Agents for Rockefeller's company yesterday offered T. S. Tarbell $4.50 a barrel, for the production of a single well for one year. Mr. Tarbell replied that this company could not have a gallon." Commenting upon that report from the *Titusville Herald*, the *Oil Derrick* said: "That's just the kind of man Tarbell used to be when he was a boy and we went to school together."

Public Sentiment Confused

Public sentiment in Cleveland was naturally confused. An unsigned letter declared it to be true that Cleveland was losing its refining business. This followed a suggestion reprinted in Cleveland

from the *Pittsburgh Gazette* that to beat the South Improvement Plan a pipe line be built from the oil regions to New York and there connect with the Atlantic Cable, "hollowed out for the purpose, through which the oil would flow directly to Europe." The *Leader* was radically pro Rockefeller. The *Herald* opened its pages to a letter which the *Leader* had refused and ran the following editorial in the interest of Cleveland:

"The good name and material interests of Cleveland are involved. We therefore offer the suggestion that in case of the speedy disruption of the South Improvement plan which now is generally considered probable, the Cleveland organizations within that combination [Rockefeller] set up for themselves, look after their own interests instead of parties naturally antagonistic to Cleveland and see what can be done in establishing pipe communication with the oil region and thus securing cheap transportation."

In reply a Cleveland letter said the South Improvement Company was "only the creation of Rockefeller's company and got up for the purpose of crushing out all Cleveland opposition. Have they not frightened almost every refiner in their city to sell out?" This letter the *Leader* refused to print.

Answering Rockefeller's claim in 1872 that the South Improvement Company was trying to save Cleveland refiners from going out of business because of competition from Pittsburgh, etc., his neighbor and competitor F. M. Backus charged that it was not loyalty but self-interest which kept the Rockefeller Company in Cleveland. Cleveland had just refused, as he reminded the readers of the *Daily Herald*, to build an opera house by means of a lottery because that would compromise its morality. "How much more emphatically," wrote Mr. Backus, "should we refuse to receive any benefits which have their origin in unmitigated fraud. . . . [Rockefeller and associates] force every refiner in their way to prosecute his business against them at tremendous odds or to sell his works and his business to the South Improvement Company at any paltry price they may indicate."

After refutation of the *Leader's* claim that there was nothing to the oil region agitation against Rockefeller's plan, an Oil City dispatch appeared in the *Cleveland Leader* characterizing the rebate plan as follows:

"All have caught the leading idea or main cause of the popular commotion, namely: that certain wealthy and influential persons, through disguised legislation, have concocted a scheme whereby they threaten to filch $1,000,000 a year from those engaged in the oil trade. . . . The oil region

is largely made up of energetic, active, excitable men—men who are always on the strain, are rich to-day and poor to-morrow—who take large riches and make or lose heavily, as fortune shall decree. They live largely on excitement, and their nerves are easily stirred. Again, it has been the misfortune of the oil business to be subjected to all kinds of iniquitous combinations . . . for the most part managed by kid-gloved gentry . . . who never had the courage to risk a dollar in oil production themselves."

Cleveland was told March 16th, by the *Daily Herald,* that a letter in the *Titusville Herald* two days earlier "contained statistics in regard to our refineries that have hitherto not been accessible to the press of this city." It then names sixteen refiners who had sold out to Rockefeller. "All these were forced to sell by false representations." Four were mentioned as "still opposed," including Mark Hanna's uncle and Mr. Backus, both concerns later succumbing.

5—See Chapter 26

QUESTIONS POSTERITY WILL ASK ABOUT ROCKEFELLER'S IRON FORTUNE

1. What was the vision which in 1893 lured a minister of the gospel, secretary of a national religious educational society, to give up his chosen field and become head of a railroading and mining venture on the Iron Range of Minnesota?
2. What picture by Dr. Gates, after his surreptitious investigation of prospects along the Iron Range, accelerated and otherwise strengthened Rockefeller's faith in iron?
3. How much had Rockefeller gone into the world's need for iron and the prospects of this territory before he made his initial investment in the interest of which Dr. Gates made a secret investigation?
4. Did Rockefeller and Dr. Gates see that if they withheld any expression of enthusiasm for that investment and if they played the coy maiden on the stock exchange and in private conversations with the Merritts, the panicky conditions of the time were such that the Merritts could not possibly work their own way out of the desperate conditions which Rockefeller says Dr. Gates reported to him after an initial secret investigation?
5. Did Rockefeller and Dr. Gates see that while they were absolutely honorable and even generous to the letter of the law, it would be necessary for the Merritts to come to them over and over again and that they could trust the Merritts to weave the web which would ultimately catch them helpless?

6. When they offered to let the Merritt leader buy back 65,000 shares at the purchase price plus 6%, did they know he was so involved that there was not "a Chinaman's chance" of his ever exercising his option?

7. If any one else had bid $10.50 for the shares which Rockefeller got at $10 when others were offering $8 or nothing, is it probable that Rockefeller would have let them go? or would he have bid up and up until he owned the mines?

8. Will posterity's jury believe Dr. Gates when he says that Rockefeller at that time did not dream of future enormous values for the stock he was buying at $8 and $10 a share or will it believe Rockefeller when he says he saw what even the steel manufacturers did not seem to see about the values of the iron which he with seeming reluctance bought from the Merritts?

9. If, with his sources of information and the thinking he had done for twenty years about the world's need for primary necessities such as oil and iron, Rockefeller did not see the future of that section, what becomes of his reputation for such imagination and why did he not try to save this concern by dealing through stockholders' meetings instead of private conferences with Dr. Gates?

10. Will posterity, knowing Rockefeller's wealth and the slight significance of $100,000 to him even in the panic times of 1893, believe that Dr. Gates was entirely ingenuous when his letter declining to help Merritt with $100,000 stated: "I have to-day on my desk urgent, imperative appeals to save old friends from ruin amounting to many hundreds of thousands of dollars. I have incurred the enmity of important business enterprises with which Mr. Rockefeller is connected, because I have had to decline to assist them within the last few days."

11. Will posterity take seriously Dr. Gates' alibi for Rockefeller when asked to help a partner save a property of incalculable value that he, Rockefeller, had "borrowed three to four millions at the banks in order to advance $5,969,422 to fifty-eight different men and companies . . . and his bank account was overdrawn more than $30,000?"

12. If Rockefeller's ethics had been as frank as it was legal would his younger brother Frank have broken all personal relations with him over the swallowing of another iron fortune, in which Frank was interested, by steps which arbitrators declared strictly legal?

Contemporary Sidelights

In answering such questions the future researchers will turn to the news and editorial columns of newspapers and to the magazines. He will find Rockefeller cited by the *Commercial and Financial Chronicle* in 1887 among recent purchasers of 20,000 acres of Minnesota iron lands and of bonds and stocks of the railroad which would carry the iron to the lakes. The month before Rockefeller bought the Merritts out at a panic price the *New York*

Times of December 26, 1893, said of Rockefeller's "taking the burden" from the Merritts:

"The money stringency extended to the Mesaba. Prices demanded for leases dropped as if there was no bottom to the financial slough, and as though man had no further use for iron and steel.

"Forth from this financial storm strode Rockefeller, serene, keen-edged, alert-brained and armed with perfected knowledge of precisely what he wanted and how to get it, with sufficient money to buy it and resolute in the intention to secure sufficient area of the iron ore laden lands of the Mesaba Range to control the output of the range and to set the price."

Rockefeller's University Publishes

Economists whose salaries were paid out of Rockefeller gifts to the University of Chicago left some records for posterity's researchers also. In the *Journal of Political Economy* for 1908, then edited by Professor J. Laurence Laughlin, appeared two articles on "Tendencies in Modern Combination." They told how Rockefeller and his leading partners in the oil trust had not gone afield for investments until after 1885 when they started getting into railroad directorates. In 1887 Rockefeller joined the syndicate above mentioned to buy into Minnesota iron. In 1888 *Poor's Manual* gave two of his oil partners as directors of the Iron Range railroad. In 1892 the Minnesota promoters became involved in financial difficulties.

"At this time," writes Anna Youngman in the articles edited by the Rockefeller university's professor with quite complete and astonishing academic freedom—and after a reading of the suit for restitution which Rockefeller settled for a retraction and other considerations—"they were approached [*sic*] by an agent of Mr. Rockefeller who offered then a loan of $2,000,000." The next year consolidation under Rockefeller was easy. "The panic of 1893 was on; ore producers were in desperate straits; mines were shutting down; loans on any terms were desired."

6—See Chapters 21-23

ROCKEFELLER'S FORGETTERY VS. INEPT QUESTIONING

The New York senate investigation of 1888 failed to learn, whether blunderingly or craftily, if Rockefeller, when buying com-

petitors' refineries "depressed the value of the stock" or "squeezed" the refiners "to compel them to come in at a reduced valuation." He said: "Oh, no, no sir. The utmost fairness from beginning to end." Not a further question was asked. The subject was changed.

Not a reference to any of the testimony that had been given to courts and investigating committees! Yet it was easily available to this committee if it had asked Rockefeller what he had paid and what various gobbled-up enterprises themselves claimed they were worth, instead of asking him whether he had "squeezed" them or done anything else to offend his own moral sense.

Asked if there were documents showing an earlier combine in 1882 and in force, he replied that there were none in force. He was not asked if there were some in existence which they might consult.

Questioned about the trust's ability to advance prices, he insisted upon explaining how foolish it would be to use such ability if he had it. Instead of pinning him down to specific conditions and requiring him or permitting him to show what the stocks on hand were and what the demand was at times when rates had risen or lowered, the committee itself jumped the track and switched to the subject of one of his transportation subsidiaries.

For want of specific questioning, Rockefeller "got by" without giving any specific answers to questions about the discontinuance of refineries, the limiting of crude oil production, agreements as to crude and refined oil rates with outsiders, suppression of competition, agreements to hold oil out of the market for a time in order to adjust supply to the demand, pipe line rates, etc.

The committee and its counsel were just as helpless after the interstate commerce commission had investigated and reported, after Ohio courts had decided against Rockefeller and after sixteen years of record as if Rockefeller and his oil business had come to them like a defendant in a night court, off the street, without any other identification whatsoever than a personal appearance and the arresting policeman's charge.

Forgettery Away from Records

It was not Rockefeller's fault when, before a legislative committee and within a stone's throw of his own office, he was permitted, after having taken oath to tell the truth and nothing but the truth, to forget or to be unable to recall over thirty different

essential facts about his business without being required post haste to secure that information for the committee's use.

He didn't remember the capital of his New York oil company. He didn't remember the production capacity of the business of which he was one of nine trustees. He had forgotten the highest price paid for the stock. He didn't know of any agreement with railroads to affect the price of transporting oil for others. He didn't know the rates of his own pipe line companies. He couldn't name a single competitor, although he later furnished a list of one hundred and eleven. He didn't know the name of the secretary, or the treasurer, or the headquarters or the New York office of the principal competing pipe line company.

He wasn't sure that his great trust, exemplar of modern business practice, the ace of aces in business efficiency, had by-laws, or whether he had seen any by-laws, or where a copy would be if there were any. He didn't even know how many corporations were in the trust, or whether on any one paper their holdings had been summarized. If there was such a paper he wasn't sure he could produce it until after he had consulted his counsel.

He didn't know what the capital stock was of the different companies belonging to the trust, or the number of certificates issued, or what the total profits of the trust were for the last year.

Although the world's greatest exporter of oil and the chief expounder of our country's benefits from its oil commerce, he couldn't tell how his company was meeting foreign competition in foreign parts outside of Germany and some Adriatic sections, or how our oil sales in Turkey compared with Russia's.

He hadn't the slightest idea what the actual capacity of outside producers was, or even what proportion of his own refineries were running all the year or were idle or operating at the time he was questioned.

He couldn't remember the date of his first combination of refineries, or how many had come into the trust after it was founded in 1882.

When one statistical chart which he had submitted was handed him for elucidation, he wasn't sure what it meant.

When first asked the question, he wasn't sure whether the trust officers were actually receiving the salaries they were supposed to receive, but later, after talking with his lawyer, decided that they were.

A Typical Dialogue

ALTHOUGH the whole country had been very much excited over the interstate commerce decision that a number of railroads had been discriminating in favor of Rockefeller and against various competitors, including George L. Rice of Ohio, Rockefeller didn't know what the decision had been. This is the recorded dialogue:

Q. Hasn't some company or companies embraced within this trust enjoyed from railroads more favorable freight rates than those rates accorded to refineries not in the trust?

R. I do not recall anything of that kind.

Q. You have never heard of such things?

R. I have heard much in the papers about it.

Q. Was not there a charge in Mr. Rice's petition [to the interstate commerce commission] that companies embraced within your trust enjoyed from railroad companies more favorable freight rates?

R. I think Mr. Rice made such a claim, yes.

Q. Didn't the commission find that claim true?

R. I think the return of the commission is a matter of record; I couldn't give it.

Q. You do not know it; you have not seen that they did so find?

R. It is a matter of record.

Q. Haven't you read that the interstate commerce commission did find that charge to be true?

R. No, sir, I do not think I can say that; I read that they made a decision, but I am really unable to say what that decision was.

Q. You didn't feel interested enough in the litigation to see what the decision was?

R. I felt an interest in the litigation; I do not mean to say that I didn't feel an interest in it.

Q. Do you mean to say that you do not know what the decision was; that you didn't read it to see what the decision was?

R. I do not say that; I knew that the interstate commerce commission had made a decision; the decision is quite a comprehensive one, but it is questionable whether it could be said that the decision in all its features results as I understand you to claim.

Q. You don't so understand it; will you say as a matter of fact that none of the companies embraced within this trust have enjoyed more favorable freight rates than the companies outside of your trust? Will you say as a matter of fact that that is not so?

R. I said in my testimony this morning that I had known of instances where companies altogether outside of the trust had enjoyed more favorable freights than companies in this trust, and I am not able to state that there may not have been arrangements for freights on the part of companies within this trust as favorable as or more favorable than other freight arrangements; but in respect to that, nothing peculiar in respect to the companies in this association; I suppose they make the best freight arrangements they can.

State's Counsel Diverts

It was at this point that the state's counsel, Colonel Bliss, who diverted his employers' attention almost every time when they were getting "warm," asked: "Is there any foreign competition with the products of the comapny controlled by the trust?"

Rockefeller's lawyers were not in the habit of dropping in that way any questions which they wanted answered. They did drop a question in the suit against their officers for criminal conspiracy in having a Buffalo refinery blown up and trying to discredit Competitor Mathews by making it appear that he had purposely failed to see certain signs on Rockefeller doors in the New York office. He asked: "Do you want I should tell all I know?" They dropped that line of questioning like a red hot poker and the public's lawyers had no reason to follow it up for that conspiracy case.

Unused Information

Nine years before, Rockefeller's partner, H. M. Flagler, had testified in Ohio that by contract the Rockefeller freight rate was 25% below the published rate at the very time when Rockefeller telegraphed the oil producers, April 8, 1872, that his company "holds no contract with the railway companies or any of them." Mr. Flagler didn't mention Mr. Rockefeller's telegram. He merely gave the rates which Rockefeller was enjoying and showed the contract. Some one else compared that admitted rate with the Rockefeller telegram. All of this was published and available to New York questioners. Yet they made no use of it in shaping their own questions.

Eight years before this New York questioning, Rockefeller had made a long record for the courts of Ohio about frieght rates. The *Scofield and Teagle case* gave a lot of evidence from the railroads themselves, rival shippers and Rockefeller. It even had a summary of facts by the district court. It showed, for instance, that before joining Rockefeller in 1876 for the sake of his ability to get lower freight rates, Scofield and Teagle had been making 35c. a barrel on oil. The next year—using the same methods, the same men, the same plant, and with everything the same except Rockefeller's help in securing lower transportation, due to his contracts with the railroads and higher prices due to restricted output—they made almost eight times as much or $2.52 a barrel. In four years in return for a $10,000 investment plus his ability to affect

rates and prices, Rockefeller made $315,000 out of his partnership with them, plus certain rebates on piping their oil.

Yet not a member of this New York commission or its counsel confronted Rockefeller with that record, including his own long affidavit and the discrepancies between it and the court findings.

7—See Chapter 25

WHAT BANKERS TEACH ABOUT ROCKEFELLER AS A FORTUNE BUILDER

The petroleum industry as conducted by Rockefeller was monopolistic. The trust movement originated in a desire of independent firms to eliminate competition, or as they said, to eliminate *unfair* competition. In 1870 Rockefeller was one of 250 oil refiners and his company produced only 4% of the total output. Seven years later it controlled 95%. The strong opposition of those producers who controlled the 5% led to the Rockefeller trust.

In 1882, Rockefeller organized the first American trust. The plan of organization was simple but effective. Owners of competing oil companies deposited their stock with nine trustees, receiving in return trust certificates, hence the name, trust. According to the trust agreement, the trustees managed the affairs of the combining companies in such a manner as to eliminate competition among themselves and to destroy the business of companies not in the combination. From the start, the new organization earned excessive profits for its members. This success led to the establishment of similar combinations in other fields.

In 1892, ten years after its organization Rockefeller's trust was declared by the courts of Ohio to be illegal and was ordered dissolved. This was the end of the trust, so far as trustees were concerned, but the work kept going on. The dissolution did not restore competition, nor did it destroy the excessive profits. Leading manufacturers, seeing the prosperity of Rockefeller's company, organized giant corporations until by 1903 there were 792 trusts, with a combined capitalization of more than twenty billion dollars.

After 1911, [the Rockefeller] oil company [from which Rockefeller had retired as active head in 1895] was compelled to reorganize so as to eliminate some of its monopolistic features.

Trusts like [Rockefeller's] undoubtedly effected economies in production and sale that would have been quite impossible under a system of small competing enterprises. They can make savings which go with large scale production. For example, the waste of oil refining is transformed into such valuable products as perfume, flavoring extracts and mineral oil. Their managers are the best money can hire; they carry on expensive experiments in an effort to improve the product, something a small plant would find it impossible to do; the huge factories and mills allow the most complex division of labor; raw materials, because of the quantities used, are

bought at the lowest prices; fewer traveling salesmen are required; advertising is less expensive. All these savings the trusts have accomplished, though they have not ordinarily passed them on to the consumers.

The trust [led by Rockefeller's] with its large capital and its economies in production, placed the American manufacturer on an equal footing with his foreign competitor. [Rockefeller's] company for example, successfully competed with the great Russian companies in their home markets.

In spite of the savings made by the trusts and their ability to compete in the foreign markets, the very nature of their organization makes them objectionable [for three reasons]: They are monopolies with more or less power to crush out competitors and to fix the prices of their product. [Rockefeller's] company in particular has been charged [no instance cited] with mercilessly destroying independent refineries, and with fixing the price of oil and gasoline with little regard to their costs.

The trusts for years appear to have enjoyed lower railroad rates than their competitors. Such discriminations are now illegal, and it is hoped, little practiced.

The trusts, with their great wealth and influence, have been charged [no instance cited] with corrupting legislation by contributing funds to political campaigns, by maintaining legislative lobbies, and by bribery.

Much of the opposition to the trusts has been manifested for political purposes, that is, for gaining votes. Trusts have been generally unpopular and in some sections of the country the easiest way to gain political success has been to denounce them.

The author of the book above quoted, *Economic History of the United States,* is Manfred Thompson, professor of economics and dean of the college of commerce and business administration, University of Illinois.

In the *Outline of the Economic Development of the United States,* also issued by the American Institute of Banking itself, the era of big business [of which Rockefeller was the hardiest spring flower] is shown to have followed changes in everyday conditions that made industrial combinations natural and inevitable. It says:

"For example, the home market multiplied rapidly, population grew from 23,000,000 in 1850 to 63,000,000 in 1890, and the means of moving men and goods from place to place and of writing, telegraphing and telephoning increased faster than population. Inventions changed methods of production so that large scale production became possible for the first time. Business methods made great strides because of new accounting systems, the typewriter and cheapness of telephone and telegraph. Statistics helped managers see the direction of profits and losses.

"The main reasons for our great industrial combinations were five:

1. *Desire for monopoly products.*

2. *Desire to eliminate ruinous and unfair competition.*

3. *Desire to economize in production, distribution and management* through avoiding duplication of faculties, more advantageous division of labor, the pooling of patents and formulas, economical purchasing of raw materials and other necessities, economical marketing with savings in the sales force and advertising and in shipping back and forth; the utilization of by-products; and ability to hire skilled managers at much less proportionate expense.

4. *Greater power* of combinations to cope successfully with the growing bargaining power of labor unions.

5. *Financiers' profits of promotion.* In the Rockefeller organization, the profits went to the managers themselves as stockholders rather than to the big bankers who have reaped the profits of many other combinations, chiefly under the leadership of J. P. Morgan.

8—See Chapter 31

ROCKEFELLER'S DEFENSIVE TACTICS

"I have seen [when 70] that if my family and friends want some . . . light on matters that have been [publicly] somewhat discussed, it is right that I should yield to them while I live and can testify to certain things."

These words in Rockefeller's 1909 preface follow his reminder that "it has not been my custom to press my affairs forward into public gaze." He might just as truthfully have said: It has been the Rockefeller custom to press his affairs away from the public gaze more completely than any other American of similar prominence. In fact, he has been almost 100% unapproachable to reporters, editors, and even college presidents and historians.

Rockefeller's excuse for breaking into print in 1909 was that he felt he possessed first-hand information about "several much discussed happenings . . . not fully understood" and feared that unless he told the public what he knew at first hand, his contemporaries and his posterity could not do "strict justice" to "dozens of able and faithful men who have been associated with me."

Yet, after deliberately resolving to defend himself publicly, he found it impossible to break with his life-time habit of keeping his own affairs to himself. Thus, instead of a book of "now it can be told" stories there is almost no admission that anything remains to be told. He gives space to repeating what was already

conceded rather than to disproving what was still bitterly charged.

He and his company were not on the defensive for being slow pay or poor pay. It was notorious that they had not "found it necessary to appeal to the general public to place blocks of bonds or stock." Critics all admitted that he and his associates had "used no underwriting syndicates or stock selling schemes in any form" and had "always managed to finance new oil field operations when called upon." The blindest and maddest critics granted and advertised that he had managed his affairs well and economically with great vigor; that he had pushed his way "into new markets to the utmost corners of the world"; that he and his associates "kept their books intelligently as well as correctly . . . knew how much we made and where we gained or lost . . . and tried not to deceive ourselves"; that they made and applied numerous improvements, kept out of speculative enterprises, etc.

No book was needed to tell how he secured foreign markets and brought a million dollars every week for many years into this country from abroad.

Criticism Evaded

When Rockefeller comes to the actual sore points where he was being bitterly criticized, he gives unsupported assertions or evasive generalizations. The denial does not squarely meet the charge. The denials are full of non sequiturs, it-doesn't-follow's. That's probably why the book had a neglibly small sale.

It doesn't follow, for example, when his associates "lunched together, a hundred or more at long tables, in most intimate and friendly association" that, as he implies, these people "seek each other's companionship day after day." It was not companionship but team work for money that they sought. Had it been companionship his companionship would have been sought when he stopped lunching down town.

It doesn't follow that the decrease in prices for petroleum resulted from building up the efficiency of the Rockefeller business. On the contrary, unquestioned expert testimony shows that in numerous instances the efficiency of the Rockefeller business increased instead of decreased the price of oil.

Rockefeller's declaring that it was never his purpose "to interfere with a dealer who adequately cultivated his field of operation" and that he did not set out to "crush competitors," is a denial but not disproof of almost universal charges and beliefs.

Rockefeller Silences

After fifty years of almost superhuman silence when attacked or when elated, Rockefeller stepped out upon the public platform and told an audience of one hundred million fellow citizens that in fairness to his partners and his family he had decided to break the great silence. In his preface he said in effect:

"I, a silence-breaking Rockefeller, am announcing a radio talk by a distinguished man who has been in the public eye for forty years, for several decades the most talked of American, to-day the richest man in the world and the richest man of all time, the world's largest money-giver and, perhaps, the world's most misunderstood man. This man is going to tell you frankly about certain happenings which up to now have been misunderstood because the kind of information which he is about to give you has not been given publicity. It gives me pleasure to introduce to you our next speaker over radio station JDR, Mr. John D. Rockefeller."

If you had advance notice that at 7:30 P.M. Rockefeller was going to give you the inside facts about the happenings which caused him to be misunderstood for forty years, wouldn't you try to have your receiving set in perfect order and your radio room full of expectant guests?

If besides promising to talk with you so frankly about momentous events, Rockefeller were to invite you, as radio announcers do, to telephone, telegraph or write questions which you would like answered, you doubtless would ask him to be sure to give his side of charges which are still vaguely rumored that he received unfair help from the railroads, that he used spies to learn what his competitors were doing, that he was once indicted for criminal conspiracy, that business associates of his had been found guilty of conspiring to have a competitor's refinery blown up, etc.

It was just such questions which the world of 1909 hoped Rockefeller would answer in his *Random Reminiscences of Men and Events,* widely heralded as a coming sensation by the *World's Work.*

Instead of frank and specific answers to questions which he and his advisers knew were in the public mind and in the public press and public courts, Rockefeller gave his readers silence, further silence, complete silence. In the *Random Reminiscences* and in later spoken reminiscences on anniversaries of his birthday and of his first job, Rockefeller has met with silence many doubts

that could be "set forth in a new light" only by concrete provable statements.

He is 100% silent on the fact that several of his defenses have been passed upon by courts and commissions and called invalid.

He is 100% silent on his having been indicted for criminal conspiracy in 1879 and having escaped trial by offering inducements to those who were seeking his prosecution through a new contract which promised not to do again the things for which he had been indicted.

He is 100% silent on the South Improvement Company of 1872 which was called by a congressional committee of that date a "criminal conspiracy" and immediately upon its discovery was disavowed by all parties to it, though kept alive in essence by Rockefeller.

He is 100% silent as to numerous cases where it was proved that Rockefeller agents had been paid for spying upon Rockefeller competitors. Although he says, "we did not ruthlessly go after the trade of our competitors and attempt to ruin it by cutting prices or instituting a spy system" he does not actually deny that he used a spy system.

He is 100% silent as to the still widely circulating charges that he, by some kind of legerdemain, got the Minnesoto iron mines away from the Merritt Brothers although he might have quoted retractions signed thirteen years before by the Merritt family.

He is also 100% silent as to the charges that his younger brother, Frank Rockefeller, refused to have anything to do with him and even removed his child's body from the Rockefeller family vault to express disapproval of Rockefeller's moral method of legally getting iron mines away from Frank and his partner Corrigan.

9—See Chapter 31

EXPLAINING HIS ENEMIES

After a lifetime of self-discipline in not fooling himself, or, as his grandsons would probably say in spite of their careful tutoring "not kidding himself," how does Rockefeller himself account for his former outspoken enemies and bitter critics?

How he feels in 1929 he has not told the public. It was twenty years ago that he with pretended frankness partially explained

his enemies. Conditions have changed so much in these years, and the public advertising of his philanthropy has so radically changed his reputation, that he would probably not consider it necessary to-day to acknowledge enmity and criticism or to try to explain them.

In 1909 he wrote that the antagonism against him and his oil company was due to their "plan of selling direct to the consumer" for which they were solely responsible and to the "exceptionally rapid growth of the business" for which their times rather than themselves were primarily responsible. Others, he said, had followed their example "without creating any serious opposition." It was only his being a pioneer, he meant, or at least one of the pioneers, that brought down public criticism upon him.

If Rockefeller honestly believes that, what a comfort it must be! His own skirts are clean. He comes into the court of public opinion and historical record with clean hands. He used to be blamed for a great public service. He was the object of criticism as unreasoned as primitive man's resentment of winds and tides. He reaps ingratitude for having been a forerunner of economies for hundreds of millions of people. In working for and taking in flood tides of profit, he did nothing consciously which he would now undue. With such belief he can, of course, confidently trust to time to vindicate his procedures and his name.

With such a philosophy and such a reading of history it is easy for Rockefeller to be tolerant of criticism which he feels has no foundation in fact except his unusual desire and unusual ability to serve his fellow man and to enunciate laws of trade and principles of business as natural as trade winds and the principles of nature. Hence the disarming sentiment, "I have no resentment against any human being."

Rockefeller on Rebates

In defending his business methods Rockefeller gives over five pages to the question of rebates. As his climax he uses the story of "a bright man from Boston," who closed a harangue against rebates with these words: "I am opposed on principle to the whole system of rebates and drawbacks,—unless I am in it."

From that cynical anecdote the reader gathers in one sentence Rockefeller's own ripened view about a system which only two years later the United States Supreme Court condemned in principle as well as in law; which in 1879 a Pennsylvania grand jury

called "a criminal conspiracy"; which in 1872 his later partners Archbold and Rogers called iniquitous,—until they were in it; and of which Ida Tarbell only five years before had said: "There is no gaming table where men must not start fair, yet Mr. Rockefeller has systematically played with loaded dice and it is doubtful if there has ever been a time since 1872 when he has run a race with a competitor and started fair."

Rockefeller is nevertheless entitled to the floor. In his book he makes ten points about rebates and withdrawals:

1. He admits that "the matter of rebates has perhaps been uppermost" in the public's concern about his business methods.
2. He says that prior to 1880, that is, during the most violent period of his fortune building, he received "no advantages" from railroads for which he did not give full compensation to railroads.
3. Living in Cleveland he could play one railroad against others and water transportation against railroads in an entirely legitimate way.
4. The special allowances made to him by railroads were due to (1) large orders such as whole carloads or whole trainloads, (2) facilities for loading and discharging made available to the railroads by him, (3) regularity of traffic assured the railroads by him and (4) terminal facilities provided by him for the railroads to use in delivering oil.
5. Even with his rebates the railroads made more on carrying his oil than on the smaller and irregular traffic which might have paid a higher rate.
6. Railroads offered and even pressed rebates, in their zeal for traffic.
7. Many smaller companies got lower rates than his companies,—none being mentioned, however.
8. His profits, meaning of course his super-profits, did not come from advantages given by railroads.
9. Special rates to him lessened cost of oil to consumers.
10. He often paid rebates to the railroads "but I do not remember having heard any complaint of this coming from the students of these complicated subjects."

After hearing this defense, which as he stated it, is *also in effect a denial that the railroads did anything which was not for the public good,* the reader must choose between Rockefeller and those various juries which have passed upon his claims, like the United States Supreme Court, interstate commerce commission, the New York legislative investigating commission of 1879 and the sponsors for the Stocking book.

Rockefeller and Espionage

In the third decade of the twentieth century it is hard for us to realize that Christian business men ever spied on one another's

trade to learn who customers were, how much they bought or sold, what prices they paid and where there might be loopholes for "cutting in." Yet when Rockefeller was building up his fortune it was respectable to conduct espionage although "cutting in" at a dance would have been resented and prevented. It was true in small town stores as well as great corporations. School teachers frequently paid spies to report impending deviltries.

"Other times, other manners."

In 1929 espionage has not entirely disappeared in American industry but is more often found in connection with unions. Factory managers "plant" spies in unions and union managers plant spies in non-union shops and other unions. Department stores maintain forces of shoppers to learn from competitors.

Espionage in Rockefeller's time was one sign of business efficiency. It was thrift, insurance, safety.

Rockefeller's espionage, like reputable international spying, antedated President Wilson's War Message:

"Self-governed nations do not fill their neighbor states with spies or set the course of intrigue to bring about some critical posture of affairs which will give them an opportunity to strike and make conquest."

Rockefeller Denials

In 1907 Rockefeller's chief mentor and interpreter, Reverend Frederick T. Gates, said that Rockefeller's fortune could not exceed $250,000,000 to $350,000,000.

This Rockefeller statement was telegraphed all over the country and commented upon editorially. Because Dr. Gates was a minister of the gospel and the head of Rockefeller's unprecedented giving for education, his denial and estimate was quite generally accepted as true. Yet within a few years Rockefeller gave away in widely heralded large gifts to three foundations alone, not counting many hundreds of millions given to his son, more than the maximum conceded in 1907 by Dr. Gates, *i.e.*, by Rockefeller, as his total fortune.

Only four denials or out-and-out refutations are voiced by Rockefeller in his *Reminiscences:*

1. "We did not ruthlessly go after the trade of our competitors and attempt to ruin it by cutting prices or instituting a spy system."
2. "The profits of [my oil business] did not come from advantages given by railroads."

3. "I would not have been so foolish as to force men into partnership with me."
4. "We did not force Mrs. Backus [of Cleveland] to sell out at a loss."

His elaboration of these denials is of importance to America and the world because "history is written by victors" and Rockefeller is a world victor. His fortune lives to pass on his explanations. The higher education and the social work that have received his bounty will perpetuate and idealize his denials.

There are several possibilities, all strictly within the truth, as to what Rockefeller meant by these four denials.

Rockefeller's use of words is expert in the sense once defined by J. J. Murphy in Roosevelt's presence, following a Rooseveltian demand that experts only should manage our government: "An expert is a man who from a given set of facts can find conclusive support for preconceived ideas."

The first denial would be entirely different with the word "ruthlessly" omitted. It may be that he did not attempt really to ruin his competitors, he may have had in mind merely teaching them a lesson and interesting them in the beneficent possibilities of coöperation. He may have meant by the term "competitors" all of his competitors, whereas he had never tried to ruin but a few and had instituted a spy system over only a few. In other words Rockefeller may really have meant:

"We did not *in every single instance* ruthlessly go after the trade of *all* our competitors with the special purpose of ruining it by cutting prices *in each instance* until we succeeded or by instituting *in each instance* a spy system."

The second denial again shows an expert use of words. If only a small part, an infinitesimal part, of Rockefeller profits came from business efficiency and the development of new markets, the denial is strictly true that "the profits of [my oil business] did not come from advantages given by railroads." As a mere matter of word gymnastics or word planting, the word "profits" in Rockefeller's denial means all the profits. No critic of Rockefeller's has ever meant to claim that all of his profits came from advantages given by railroads.

As to partners and the third denial, Rockefeller uses "forced" literally, the world uses it metaphorically. Mr. Archbold and Mr. Rogers found that outside of Rockefeller's rebate circle they could not make money as fast as they could inside. Others found that

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FREDERICK T. GATES

Almoner and seer for Rockefeller, projector of the University of Chicago founded by John D. Rockefeller, his iron fortune, the General Education Board, the Rockefeller Institute for Medical Research, the Rockefeller Foundation and a haloized Rockefeller—Bolder in vision than any American capitalist, more shrinking than Boswell, master humorist of his age.

ROCKEFELLER COUSINS

Near his birthplace. Not part of the Rockefeller Association which has 800 members. Rockefeller never attends, but recently opened his Pocantico Hills home for a meeting. Their loyalty is to their family tree, not Rockefeller.

outside they would probably lose their plants. So far as they were forced to come in out of the rain of lower profits and great danger to high profits and security it was of course no forcing except by conditions, conviction and an inner thirst for profit stronger than the thirst for independence.

10—See Chapter 36

THE CASE OF MRS. BACKUS

As to Mrs. Backus, the Rockefeller denial is water-proof and copper-riveted, so far as the letter of the case is concerned. Similarly, the majority of spiders can prove to any jury that the fly catches itself in the spider's web and in no legal sense is trapped by the spider.

Rockefeller does here what his preface indicated he felt himself able to do with respect to all important charges. After quoting charges by Mrs. F. M. Backus that he had taken her business away from her or scared her out of it and paid her much less than it was worth, he cites a letter written seven days after receiving her charges in 1878 in which he asks her to remember certain facts which seemed to him to disprove her charges completely and to prove him over-generous rather than tyrannical in his dealings with her.

This letter offered to give her back her property or to let her have "one hundred, two hundred, or three hundred shares of the stock at the same price that we paid for the same" and to make the value of the stocks $100 instead of about $79.

He also quotes a long letter from the brother-in-law of Mrs. Backus written to Rockefeller in 1903 to the general effect that Mrs. Backus was wrong in her charges, that Rockefeller "paid three times the value of the property" and that "all that ever saved our company from ruin was the sale of its property to you."

To underwrite the denial further Rockefeller quotes an affidavit by the superintendent of Mrs. Backus' company at the time she sold to the Rockefeller interests. This affidavit is undated and declares (1) Mrs. Backus instead of being deceived knew all of the details of the negotiation and "fully approved" the Rockefeller proposition, (2) at no time did the Rockefeller representative make any threat or do anything else to hasten or "push forward said trade" and (3) the price paid was "in excess of the

value and satisfactory to Mrs. Backus and all concerned for her."

If there are in the Rockefeller archives similar specific evidences that various widely published criticisms were grossly unfair or at least were specifically retracted, it would seem to the public interest to have them made available to all persons who care to study the rise of Rockefeller's power.

Lloyd on the Backus Case

ANALYZING Rockefeller's denial as long ago as 1894, Lloyd gave quite a different color to it. Lloyd caused readers to fear that in spite of Rockefeller's affidavit and plausible denial, a competitor's widow felt forced by conditions—by a confused state of mind and by a conviction that opposition to Rockefeller was futile—to close out for $69,000 a business that was netting $25,000 a year.

One reason given by Lloyd for believing that Rockefeller's denial is not so frank as it sounds was that in selling the property Mrs. Backus was required to give bond to forfeit $5,000 if within ten years she went back into the oil business, in any way, with any person, even as a shareholder, whether in her county, her state, "or at any other place whatsoever."

Lloyd further believed that her own employees, by whose advice she was influenced, had deceived and betrayed Mrs. Backus, who always insisted that instead of having acted by her direction and to her entire satisfaction her subordinate had gone forward without any authority from her and had untruly stated that she was satisfied.

Lloyd also claims that one of the minor stockholders claiming to represent her did so without her knowledge or authority. She swore on May 1, 1880, that she had been told by the Rockefeller agent who was dealing with her that if she didn't accept their proposition, they would drive her out of business.

To offset this and support Rockefeller's denial is his written offer to return the plant, if she should so request within three days. She was also offered shares instead of cash if she thought shares worth more than cash. Of this seemingly generous offer she testified that by the time this offer came she had invested the money and was so indignant and distressed that she threw the letter into the fire.

Judiciously speaking, if she had felt able to go on with the business under the circumstances and tried to win in spite of

Rockefeller, she, of course, should have accepted the return of the business rather than cherish a grudge against him. Again if she felt that Rockefeller stock was worth more than cash she ought, of course, to have accepted stock.

Picturing, however, a middle-aged woman who felt betrayed by her own advisers and injured by a neighbor who expressed personal interest in her welfare, the kind of historical research which Rockefeller money has been financing would raise a question whether the mind of Mrs. Backus saw in the Rockefeller offer anything but the frying pan into which she might jump from her fire. That is what Lloyd implied it was.

Having all this information before her, including Mrs. Backus' complaint, Rockefeller's denial and Lloyd's comments, Ida Tarbell repeats the story with the very definite conclusion that Mrs. Backus "gave up her business to avoid ruin, as Mark Hanna's uncle and others had done before her."

An Unconvincing Witness

It was after the Tarbell summary that Rockefeller received and printed in his book a letter purporting to have come voluntarily from Mrs. Backus' brother-in-law. It completely exonerates Rockefeller, and if accepted at face value, clinches the Rockefeller denial.

To the casual reader, it seems "fishy" that the brother-in-law of Mrs. Backus should, without prompting or hope of profit, have sat down in September, 1903, twenty-five years after Mrs. Backus wrote her troubled letter to Rockefeller, and written a long letter to Rockefeller placing all blame for the misunderstanding upon his sister-in-law.

Several features of this letter, if they had been written in hieroglyphics on an Egyptian tomb, would cause the scientifically trained researcher to ask questions like these:

1. Was not the Buckeye Pipeline Company, a visit with whose superintendent a day or two since had prompted the letter to Rockefeller, connected with the Rockefeller pipe line or oil interests?

2. Could its superintendent possibly have suggested this letter or hinted at any inducement or possible reward?

3. Is it suspicious that the apologist and confessor had not carried into effect his good resolution of long standing to write Rockefeller until after the Tarbell revival of the Backus story?

4. Is any question raised about the sincerity or source of the message by its using the expression "John D. Rockefeller" three times in a short letter addressed to Rockefeller himself?

5. Is it at all surprising that a man who presumably was writing only because his brother's widow had, in his opinion, written unjustly to Rockefeller over twenty years before, should have written to Rockefeller that "the only thing that ever saved the oil business generally was the plan of John D. Rockefeller"?

6. Does this praise sound insincere from the brother of the competitor who in 1872, six years before the widow's sale, insisted that Rockefeller's "coöperation" was "unmitigated fraud"?

7. Is this witness at all discredited by his statement that in paying $69,000 for a going concern which at the time was netting $25,000 a year Rockefeller had paid "three times the value of the property"? Rockefeller himself in a sworn statement on October 8, 1880, twenty-three years nearer to the event than H. M. Backus, placed the excess above the property's value at 33⅓% rather than 200%.

8. Would an Egyptian chiseler of a confession to the Rockefeller of his day have put into a bona fide apology personal remarks about his own failures and a sentence like this: "I have had my ups and down, but I have tried to take my medicine and look pleasant instead of sitting down under a juniper tree and blaming my losses to John D. Rockefeller"?

9. Is the testimony of a man to be taken seriously that a business was on the road to ruin which at the time of its purchase was paying $25,000 a year on a capital investment of $60,000, and which Rockefeller says he had told the chief stockholder could reasonably be expected to keep on earning that amount?

10. Is there anything strange that this particular letter should lack a greeting to Mr. Rockefeller and should conclude: "With much respect and admiration to John D. Rockefeller, I remain Yours truly, H. M. Backus"?

11—See Chapter 54

1,000 EDITORIALS OF 1907 ON "A NIAGARA OF BENEVOLENCE"

Bitter as was the controversy in 1907 over Rockefeller's methods, motives and probable effects, the squib writers had a riotous time. The stage was set for them by an increase in the

price of crude oil on the very day of the Rockefeller gift. Few caught the point that the oil which rose in price was *crude oil* of which Rockefeller was *buyer* rather than seller. But the jokes have never stopped about Rockefeller raising the price of oil whenever he wanted to give away a few millions. "Why have to pay him ten cents in order to get one cent back?" was flanked by fear that some day he would decide to give away $60,000,000 and the opinion that lowering the price of oil would have helped 80,000,000 people, comparatively few of whom go to college.

With a solemnity known only to squib writers Rockefeller was made a steady condiment of funny columns.

The paper that said $32,000,000 meant prodigious abstention from oysters by the Rockefeller family which only recently had said it could not afford such extravagance was forthwith cautioned that the oyster poverty business would be no joke if such giving kept on.

Collier's Weekly offered $100 to any college that would raise $1,000,000 toward a Collier Education Endowment and promise to use Collier on its stationery. [An independence which *Collier's* has recently swapped for periodic fulsome adulation of Rockefeller.]

Gratitude was expressed that there need be no apprehension now of a multiplicity of Rockefeller's own university with its "crankeries."

Villages were consoled for not being included because village folk can rely implicitly for education upon the circle which gathers every evening around the grocery store.

Rockefeller's motives were symposiumed: a vast scheme to promote the burning of midnight oil; to win attention from cartoonists; to feed Cerberus cash; to let us know what *he* is doing with *our* money.

Of one accord squibbists agreed that Rockefeller was not planning to run for office.

Restitution or Beneficent Bribery?

Long after scandal displaced Rockefeller's gift as a three-day wonder, editors and other educators debated Rockefeller's probable motive. This debate, however, soon became one-sided and pro-Rockefeller. It was only voices crying in the wilderness that withstood the tidal wave of appetite for the dangling money

which was fixed in the public mind as like lightning to strike wherever there were lightning rods.

Cynics and critics are quoted here for their historical interest. The day before the $10,000,000 gift for southern and general education in 1905 the mythical "man on the street" would have asserted Rockefeller's incurable unregenerateness. The night before this Niagara of benevolence in 1907 that same man on the street would have admitted a few offsetting good streaks but not enough for redemption. The public mind was overwhelmingly set before the event as the critics spoke after the event. Therefore critics' words give a true-to-life portrait of Rockefeller as he seemed to the public eye before his $32,000,000 gift. The personality picture persisted at least till 1913 when Rockefeller gave up trying to get a congressional charter for his $100,000,000 foundation.

Let a conservative capitalistic paper draw the first outline: Rockefeller's "baleful eminence" was the "very culminating type of those who make the acquirement of millions their justification for the employment of wicked and injurious business methods." Can you imagine the *New York Times* editorial using such language about Rockefeller to-day?

Let the country-wide brushes fill in the portrait. *The wording is verbatim from editorials except for condensations and obvious interpolations.*

Rockefeller, on trial, merely wanted to purchase the luxury of an immunity bath by placing judges in the position of persecuting a public benefactor. He expected to soften the rigors of federal prosecution. He hoped the public would not attack his business interests for fear of injuries to education. To this was answered that spending money this way for education long antedated the occasion for beneficent bribery and was a Rockefeller hobby.

Desire to protect his descendants was another motive bruited. "All the other inhabitants will be so finely educated that they will be unable to earn money." Hence the sleeping potion and magnificent sop to Cerberus.

A sign that exposure pays, wrote others. If more frightened he could multiply the gift by ten and still have hundreds of millions left. Popular protests sounding in his ears like a tornado induced him to get under cover.

Did he yearn for public forgiveness and approval or did his

conscience impel him to restitution? Reasoning, of course, from their own conscious emotions, the rule-by-thumb psychoanalysts of the day decided that his money was becoming a burden to this man, whose world believed him not only in sight of the cemetery but with one leg in the grave. He was weary of being held up to public view as the most disliked and abused man in the United States, tired of being an Ishmaelite in his own land. Hence the most splendid contribution to the conscience fund ever made by any buccaneer of modern commerce. Hence the peace-offering bid for the more kindly consideration of his fellow mortals.

That the magnitude of his donation did not merely "measure his sense of the depth he had sunk in public estimation" has since been proved by his having doubled and trebled the first huge gift at later times when the public had lost power to thrill to larger figures.

If, as one editor insisted, it would take more than $32,000,000 to purchase a halo and establish Rockefeller as anything other than the most gigantic exploiter of his age, he later fulfilled the requirements. Rockefeller handing out a million caused talk of tainted money. When Rockefeller handed out $32,000,000 "everybody's hat goes up in the air." At any rate he acquired, even if he did not purchase, a halo.

Whether or not he set out to "bribe churches, schools, colleges and the public to tolerate his practices," certainly they have come to tolerate the thought of them, to forgive, admire and extol them. His money "smells much sweeter after it has been contributed to some church or educational institution." It was too big to be tainted.

Honest Is As Honest Must

"Rockefeller was as honest as the law compelled him to be" was the refrain of a choice few who found in Rockefeller a symbol of the public's own unpreparedness. His gift "challenged the ethics of a system of property which enable one man in his own lifetime to accumulate so much that he could give away $32,000,000 without feeling it."

In other words Rockefeller simply comprehended and established a system of commerce and became as helplessly a millionaire as Edward VI was helplessly a king. Rockefeller could take to the woods and live in a cave on berries and his business

machine would continue to grind—[which prophecy has since been fulfilled]. Instead of doing anything foolish or making artificial philanthropic changes in a gigantic commercial system, he gave money for education, which some thought would and others were sure would not prevent future Rockefellerism by exposing the truth about its industrial and political origins. "Before you blame the man, look over the system of which he is the perfected work. Consider the nation's ideal of success. Has not John D. Rockefeller achieved the very thing for which Americans are taught to strive from the cradle to the grave?"

Brisbane, later Rockefeller's idealizer sans pareil, tried to arouse some self-protective instincts in the public: "As a nation we may feel ashamed that we are so dependent upon the whims, the generosity, of the great men as any savage tribe dancing on the beach in the hope of getting a few glass beads or some pen knives from a marauding buccaneer."

Governor Charles E. Hughes, not yet compelled as justice of the United States Supreme Court to condemn Rockefeller's business methods, praised his benefactions and pronounced a benediction to this national debate: "As to the man who would criticize others, let him see to it that he does not try to get something that he is not entitled to."

Even Governor Hughes could not keep the specter down and a few irrepressibles flung at the dispersing crowds that Rockefeller's methods of acquiring his immense riches were reprehensible and diabolical; that the entire course of his career had been marked by ruined homes, ruined business, and wrecked and ruined lives. Just how many statesmen had been bribed, just how many legislatures had been corrupted to give Rockefeller the advantage of all competitors would, they said, be difficult to guess. Railway officials and employees had been subsidized. "Even newspapers" had been bought outright in more than one state "to give public officials who were loyal to the public the worst of it."

The Sensitive South Succumbs

"SPLENDID but enervating" was the first strong note from the south when untruly advertised as the major beneficiary of the Rockefeller windfall. The General Education Board had been known for its almost exclusive interest in the south. No one yet thought of it as a Rockefeller board. It was supposed to be independent

of him but successful in winning his confidence because of its program for and work in the south.

A sensitive south at first resented being singled out for northern philanthropy. It didn't want other people to "discharge a duty that is peculiarly our own." Besides it didn't need outside help, because, as the *Manufacturers' Record* of Baltimore reiterated, it was getting rich fast.

Rasher, or perhaps cooler, minds, not bent with the job of raising money for southern colleges, declared that for the south to take this money would be distinctly to lower its crest. They called it inconsistent with the south's self-respect and prophesied that if "we do demean ourselves we will not stop with that but we'll become a thoroughly base-hearted people willing to pocket gratuities from any source." What a far cry from this sentiment to southern lust for federal grants regardless of states' rights theories.

Yet, groaned one southern editor-psychologist after his own editorial protest, the south would grab all it could get. Why? Because, as colleagues wrote, with $32,000,000 in the scale the balance was "mighty likely to dip toward accepting."

Critics left their arguments exposed by deprecating the northernness of the General Education Board. It was easy to disprove this charge and to move thence to evidence that instead of bringing enervation and stagnation infusion of money counteracts local laziness and inertness and works to nought but splendidly exhilarating and tonicking effect.

The south's prospects pleased the north which forecast no more "disgrace of poor southern harvests" and the "solution of many of the problems peculiar to southern states."

Again the south's boon sounded at the time as the lion's share of $32,000,000. Seven years later it had been given or conditionally pledged $5,178,000 from $43,000,000-plus-interest given and nearly $16,000,000 pledged by Rockefeller, always, however, with special emphasis—in words—upon the southland's needs.

Gratitude and Laudation Won

An ultimate revolution was prophesied. Centuries hence historians would trace the influence of this gift upon the whole human race. The whole system of education would be safeguarded against disaster or deterioration. Rockefeller's example would surely

stimulate other multi-millionaires to emulation. His giving's good would almost equal the harm of his gathering. How superior to pensioning off a rapacious ducal son-in-law!

With so much money to aid the scholar, the thinker, the searcher after knowledge and development, no secret of the earth or of nature "might seem so hidden as to baffle the investigator."

Before very long even the bereaved friends of exterminated colleges would rejoice that industrial capital was willing to spend a fortune to bring chaos out of order—a prophecy which by 1929 remains unfulfilled as to both extermination and chaos.

Wealth Compels Confidence

People who never before were aware of the General Education Board immediately concluded that any group of men who had been given $43,000,000 by Rockefeller must have wisdom and knowledge to match its opulence. It was expert, skillful in administration, discreet, liberal, proof against noisy appeals as well as against tears and *"self-evidently"* bound to use its vast sources wisely.

Hyperbole chased hyperbole until the country came to believe what it was told that educators everywhere knew—but what has never been true even after Rockefeller has given it $125,000,000 —that the General Education Board "has amassed an enormous amount of exact and perfectly classified information about the schools and colleges of the country. If you want to know the status of any college—its attendance, resources, curriculum, strength of the faculty, standards of scholarship, intellectual and moral conditions—the Board can usually furnish the facts, so far as they are to be had."

Possunt quia posse videntur—they were able because they seemed able—favorite oratorical theme of Latin classes at the Vergil stage—may have been true of racing boatmen thirty centuries ago, but is not likely to be true of twentieth century educators even when almoning Rockefeller millions.

Education, Quo Vadis?

Qualms and misgivings were expressed more widely than is easy for the third decade of Rockefeller giving to believe possible. They counted for little because they were scattered and sporadic. Had any one great paper contained them all, or had two papers in New York, two in Atlanta, two in Chicago and two in San

Francisco sponsored the main arguments, the country would have stopped, looked and listened.

Though drowned in the huzzas of 1907 these qualms and misgivings are of immense interest to students of brain storms, freshets, stampedes and flood prevention.

The country was urged to stop and ask what higher education was before spending more millions for it. In 1926 Rockefeller's own board, as shown later, began voicing the same caution.

The country was warned that the Rockefeller gift was setting aside the labor of men yet unborn equal [at 1907 prices] to 3,200 industrious men in perpetuity and was asked to guard against "perpetuating economic superstitions that hold the working masses in thrall."

The country was told that it would be "a sad day when education rested upon the tainted money of plutocrats," as it threatened to do "at no very remote period."

The country was reminded that helping colleges did not touch the greatest educational problem—the education of the common people.

The gift was pictured as likely to hamper rather than advance the cause of real education which was for spirit and character rather than money. A mendicant attitude was to be expected. Why self-help when there is "a beyond which flows down as if from superior source that is to be held in worshipful consideration?"

Fears for free speech were widely voiced and by no means only in weak organs either.

The truth about the vital issues of the time would be harder to teach after colleges began looking to a "few comparatively few towering fortunes able and willing to be leaned upon."

Rockefeller's board would be able to impose qualifications or exercise discipline over institutions receiving funds from it to the sacrifice of the independence and self-government of such institutions.

Subsidizing education would beat any other mechanism yet tried as a mechanism for controlling education. South Carolina contributed the fear that the silence of southern schools would be purchased. California said it was easy to see that many colleges which had no taste for it would strive to qualify for Rockefeller aid by muzzling their instructors and assuming a con-

ciliatory attitude toward plutocracy, corporations, trusts and monopoly.

The price of such gifts from Rockefeller was said to be "the manhood of the free American, the liberty of the people and the very livelihood of the people."

If by 1929 the leopard has changed his spots, who was the leopard—Rockefeller or the public? And who could possibly have written such editorials? Not irresponsible nobodies in weak journals but important men in important journals, though usually impersonal spokesmen.

A famous metropolitan divine was named who *as trustee of an educational agency receiving Rockefeller support* refused to permit discussion by its forum of Rockefeller's gift, but who *as a preacher not seeking Rockefeller money* said from his pulpit that Rockefeller gifts "if not accompanied by a public confession are not acceptable."

A Wall Street Protest

A ONE-COLUMN-PLUS editorial in the *Journal of Commerce*, New York, is especially interesting because it probably was by the secretary of the Sound Money Commission of pre-Bryan days and the first secretary of the federal reserve board, Professor H. Parker Willis. Gifts of unprecedented amounts, it said, raised numerous problem questions:

1. Have not certain gifts had an injurious effect on colleges and universities?

2. Have institutions become "unduly worshipful toward wealth"?

3. Are they placed "in an attitude of too ready concession to the wishes of their benefactors"?

4. Will our colleges and universities "seek to model their views and teachings closely upon the lines which they know to be acceptable to their benefactors [past and hoped for]"?

5. How far will the men in charge of education throughout the country "protect themselves against such subtle and sometimes unconscious influences"?

6. Will the recent enormous benefactions "put our academic thinkers into a moral strait-jacket at the same time they are freed from the cramping influence of limited means"?

Nor did this "Wall Street" paper confine itself to questions. It made several assertions which are reminiscent of an attitude

and a courage seldom expressed since epidemics of enormous giving to colleges began:

"Gifts to education are like campaign contributions, best made in relatively small amounts and from many sources. If large it requires greater force of character to maintain independence of thought and action. The spectacle of a university president [Syracuse] preaching the maintenance of some of the worst abuses of capitalism, and another [Yale] meekly bowing the knee to receive the money offered by those for whose acts he had but lately suggested social ostracism as a penalty, is not an edifying spectacle."

12—See Chapters 63, 70

18 OPPORTUNITIES LOST FOR DESCRIBING COLLEGE SALARIES

1. The Rockefeller table and its graph of 8,540 salaries contain 2,262 salaries outside the colleges of arts for which the study's only comparable facts are given.

2. In grouping salaries, it did not show the number having the lowest or the highest salary in a group. Such a simple precaution was omitted as distinguishing between new members in a faculty and those of long service, between married and unmarried members of the faculty, between the sexes, or between faculty members teaching three or six hours a week and others teaching fifteen or twenty.

3. While equivalents in full time are given for instructors, they are not given for registered students. A student is a student, whether of forty hours or forty weeks. Therefore, the so-called average tuitions are inaccurate and incomparable.

4. Averaging salaries paid each kind of instructor by all colleges in each group concealed significant differences that the board's study ascertained and that the country's colleges could profitably have used. Thus a wide salary range is lost to view in the leveling process which cuts down high salaries and builds up low salaries for an average.

5. Similarly, the given averages of salary increases fail to show differences that would have been of great utility in financing colleges.

6. While the crude figures are given by which the salaries in one geographical section may be compared with the salaries of corresponding positions in other sections, none of these comparisons are made in the Rockefeller report, which means that

many significant lessons were hidden from trustees and faculties.

7. There is no key to the schools which have failed to lift teacher salaries up to the risen cost of living. In fact, there is no comparison by sections of the country as to the way cost of living and salaries have changed with respect to one another.

8. Country colleges are mixed up in the same table with suburban and city colleges so that significant differences in the cost of living are concealed.

9. Increases for the succeeding year which several colleges mentioned were not specified, although these might easily have radically changed all the rest of the report.

10. No illustrations are given of the practice mentioned of paying young and inexperienced teachers more than experienced teachers of higher rank, although this again would have been most illuminating for colleges. To shield sensitive trustees names of colleges might have been omitted, though at a great social loss.

11. No instances are given of the alleged very high mortality in college faculties due to resignation for the purpose of working in other colleges or to deserting the profession. The report speaks of these two motives as if they were equivalent, although it is a commonplace in the educational world that, even where salary levels are entirely satisfactory, promotions frequently come by going from one's present rank in one college to a higher rank in another college. If, as the report states, 249 college faculties show an average mortality of 35% in five years, it might be true that nearly one-third of college faculties were getting increases every five years by transfer from college to college.

12. Although the tables for colleges of arts showed that 82% of teacher salaries in 219 institutions was being met by student tuition, there is nothing to help a college discover what the range is within these colleges. Even the averages show a range of 55% to 164% in salaries met by tuition.

13. Using fees in some tables and tuition in others causes a serious confusion and gives uncomparable totals. Many of the receipts from students are not applicable at all to teacher salaries but are used for laboratory materials, broken equipment, sick bills, extra-curricular activities, diplomas, etc.

14. It is impossible from the report to tell how many of the 249 reporting colleges are included in the tables that compare all teachers' salaries with all student receipts.

15. Without giving an illustration or any hint of remedies, the

report says that "in very few instances has any attempt been made to curtail expenses" and also that "it is highly probable that economies in expenditure—more beneficial than an increase of resources—could be effected if serious study were given to the problem." *A page of information there might have saved colleges far more than Rockefeller's enormous gift of $50,000,000.*

16. The dollar's depreciation is not shown in any table of salaries. It is shown that food products had increased in different sections by 83% to 101% and that the entire cost of living had increased in the same sections by 68% to 80%. But salaries of 1914 and 1920 are compared without helping college trustees themselves understand and without helping them explain to their constituents that these salary increases *still left teachers worse off than five years earlier.* For example, the first year of the World War the average salary of over 1,000 college teachers in the New England states was $1,937. Between that and April, 1920, the cost of living had gone up so that in order to buy the same food and clothing, etc., as in 1914 these faculty members would have needed an average of $3,370. Their actual average was $2,415 *or $955 or 28% below their earlier standard of living.* It is doubtful if one trustee or one college president in 100 translated the figures into their vital meanings. The southern states suffered worst as their cost of living rose 81%. Their average salaries should have risen from $1,541 to $2,789; they actually rose $895, or *32% too little to maintain their former standard of living.*

17. College names were not given, as would have been easy and especially helpful to those faculties in direst need.

18. Even more fundamental than any of these changes is the fact that what set out to be—and had the money to be—an adequate scientific study of higher education salaries, *took for granted that the basic salary of 1914 was an adequate salary and that all the country needed was to fill in the gap between 1914 and 1920.* As late as two reports in 1928 this defect was repeated.

This fundamental error was the fault of the board's experts, officers and sponsoring trustees. It certainly was not the fault of Rockefeller himself. He did not write that he was giving $50,000,000 to help cover the loss in the dollar's purchasing power. He specified the country's need for "more adequate salaries to members of the teaching profession." He saw an "urgent and immediate necessity" to keep able men in the profession and to recruit able men into the profession.

13—See Chapter 63

"COLLEGE AND UNIVERSITY FINANCE"

Easily preventable defects in this manual begun in 1916 and issued in 1922 by the Rockefeller General Education Board include these:

In its model treasurer's report for its model college the per capita cost is misstated by $215 and over 50%. How can that be? It omits unpaid bills, one of the most common and costly defects of college financing. Furthermore it omits college costs of operation that are none the less per capita costs because they are deficits in board and lodging which ought to be self-supporting.

Instead of arguing for, or even stating reasons for and giving examples of self-supporting dormitories and dining rooms, it said at the very critical time of 1922 that such self-support would be "very difficult."

In the model set-up for dormitories and dining halls, the figures given indicate that a very small fraction of the student body is using these commercial facilities. Trustees are not shown how to learn whether earning facilities are used to capacity and might so be used.

An increase of $30 a year in tuition is justified in the model treasurer's report because "made necessary by increased cost of operation"; on the very next page it appears that cost of operation actually increased less than $20, a plain $10 "gyping" of each pay student!

In the treasurer's model statements there is no place for showing increases by items over the preceding year, a very definite minimum essential which college trustees should be expected to insist upon and to study.

Slips Distort Truth

Typical slips that the world considers Rockefeller-giving proof against will be clear to any layman:

1. The unit cost per cubic foot of a theoretical model brick building erected in 1921 is given as 15c. The cost per cubic foot of another brick building erected 11 years earlier, when building costs were less than half as high, is 21c.

2. The proposed business staff for a college of 500 students with an endowment of $2,000,000 and buildings worth $900,000

is a business manager with a full-time stenographer and full-time bookkeeper plus part time student assistance in rush periods—a penny wise pound foolish overhead.

3. Only 1.2% of the cost of original construction is set aside for repairs in 1921 when repair costs had nearly trebled, which would mean rapid deterioration of property and consequent understatement of operation costs.

4. For a bookstore selling $21,000 in a year a salary and wages total of only $1,233 is assumed and a rent of only $120.

5. The model listing of investments does not include what is needed if college trustees and givers are to check returns. For example, "A. T. & S. F. R. Y. Company 4's" are listed at the face value of $25,000 and a cost value of $18,962.50. Not one trustee in a thousand will make the computation to show that this yield is 5.3% and that the yield of some "Chicago West Park Commission 4's" is less than 4%, because of the price at which purchased. If bonds paying less than 4% were listed clearly with stocks paying almost 7%, with real estate mortgages paying almost 6% and with bonds netting almost 5%, trustees and solicited friends would probably wonder whether the college could afford to hold such "poor milkers" as bonds paying less than 4%.

6. The proposed accounting forms are not illustrated, which means that many colleges needing them won't understand them.

7. The average cost does not take into account such business and educational truth as that it is *class hours attended* which cost rather than persons on the register.

8. There is not a word to help colleges discover and work toward comparable standards for the distribution of expense. It would be easy for a college board, after reading this Rockefeller guide book, to think that it had done a splendid job in keeping down the maintenance of its plant by postponing repairs even though delay in the repair would cost a new building. The method of accounting is entirely compatible with the self-congratulation of a New Jersey board of county supervisors that their hospital had "saved a great deal of money last year by eating the cows instead of buying meat."

Full-Cost Tuition Opposed

At a time when the justness and the practicability of full-cost fees for students was being widely urged, colleges were discouraged from even looking into this source of revenue on the ground that

the "student should not be required to pay what it costs the college to provide his education, else students with slender resources may be deprived of the advantages of college training." The exceptions were not mentioned where, as the board learned two years before, college tuition was even much more than teachers' salaries. In its model college only 53% of the teachers' salaries is met by tuition fees while in 244 colleges the board itself reported two years earlier that 82% of teachers' salaries was met by tuition fees.

It not only argued that tuition should not be increased and that colleges in the interest of democratic education should provide at least half the cost, but urged that colleges should even furnish board and room at less than real cost.

No Tests of Efficiency

THE most important lack and one which any layman can understand is that in the by-laws, the accounting and the editorial paragraphs of this business bible *there is no provision whatever for tests of educational efficiency, not a syllable that calls for relating financial data to instructional purpose and efficiency. Indeed it would be possible for a college or 500 colleges to do every single thing called for in this book and still violate, as the Rockefeller board's secretary in 1923 said colleges were generally violating, their educational and moral trusteeship.*

Repeatedly it furnishes additional blinders to keep college trustees from seeing that their business is promoting education and not merely conducting a business plant.

There is no warning against padded registration totals.

No test whatever is provided for the efficiency of the administrative officers whose guidance the book says trustees will "naturally" follow.

The depreciated dollar is not discovered in spite of its bearing upon comparative costs, upon what students can easily pay toward tuition, upon the "sweating" of teachers by low salaries and upon the trustee efficiency in educating constituencies to support higher education.

There is no suggestion that "time-and-load" records be kept for comparing work by faculty members or that student organization accounts be audited.

Huge Assets Not Disclosed

EVEN matters pertaining to dollars and cents and to physical plant are not presented in ways which colleges need. At the time

this book was published information was available from a number of college surveys showing that *within many a private college and state university there is entirely or partially unused space enough for another good-sized college.* This book does not suggest to trustees that they look for partially used and completely non-used space; nor does it suggest that in the construction of new buildings modern efficiency tests be used to avoid egregious waste of space. Not a hint of too small classes, of too great student mortality, of funds misdirected or otherwise wasted on instruction. There is no help or mention as to inequalities of faculty loads for teaching and otherwise serving the college.

Such statements as the following hardly belong in the business bible of 1922: "Effective service by a trustee is dependent upon long acquaintance with the institution and its needs." That is a myth long believed by colleges and should give way to reminders that in many cases efficiency decreases as acquaintance lengthens, that continuing membership does not always mean continuing acquaintance with needs and that a new trustee-broom often sweeps clean if given half a chance.

In other words, any outside reader fairly familiar with college administration will find in a hasty reading at least fifty important questions with regard to this six year special study of college finance by the Rockefeller board. More than fifty questions would have been asked by members of the General Education Board themselves if they had given to it the attention which their sponsorship implies.

Any one in touch with progressive college management during the six years when this Rockefeller book was in progress would be compelled to say to the Rockefeller trustees that one round-table conference on the proofsheets of it would have brought to light scores of opportunities, by very slight changes involving a day's time, to increase the value of this handbook of which nearly 6,000 copies have been distributed.

A final symptom of Rockefeller leadership in college financing is the attendance of only twenty colleges at each of two recent summer institutes conducted by the Rockefeller expert at Rockefeller's university. Had Rockefeller's business efficiency been applied the previous twenty years to Rockefeller leadership the number would have been nearer 200 if not 2,000 because such institutes might be worth tens of millions to higher education's faculties.

14—See Chapter 69

MORE CAREFUL ACCOUNTING NEEDED

The Rockefeller accountant in earlier years did not consider it any of his business that the education board carried many millions as pledged to colleges long after the offers had lapsed. This means that the total pledges and the pledges outstanding appeared too large and the principal available for giving away too small. The totals appropriated in separate years are nearly $6,000,000 larger than the final summary of such appropriations.

It seems strange too that a certified public accountant will publicly certify that on June 30, 1915, appropriations total $16,862,000; that the next year $1,584,000 is appropriated; but that the total for 1916 is not $16,862,000 plus $1,584,000 or $18,446,000 but $143,000 less.

If the amounts appropriated up to July 30, 1914, be added to the appropriations the next year the sum will be $609,000 larger than the total in the report for June 30, 1915. That is nowhere recognized or explained; it is probably due largely to lapses, that is to conditional amounts which colleges had not earned. In the first four years reported the net discrepancy is $796,000. In 1926 there were 16 discrepancies.

Every single one of nineteen items which appear in each of the 1924 and 1925 summaries of appropriations shows a discrepancy between the total which should appear for appropriations and the totals given. These differences range from $100 to $1,009,000. They total far more than the $1,125,000 of appropriations from capital reported in this report alone as lapsed, probably by colleges or medical schools.

Similar discrepancies appear when publicity statements are compared with reports certified by the outside accountant.

The editorial and treasurer's figures for appropriations disagree for different items, $28,960.56 here, $3,250 there, etc. but enough to warrant attention by trustees and outside accountant.

The year 1924 closed with $66,500 available for professors of secondary education after $240,700 had been spent for that service. Those figures are O. K.'d by the outside accountant. The next year no appropriation was made; that he certifies. Only $56,200 was spent; that he certifies. This should leave a balance of

$10,300 and a total expenditure of $240,700 plus $56,200 or $96,800, but he certifies a balance of $3,065 and a total of $301,645.79.

Every year from 1914 to 1921 the auditor certified to accounts that gave in all $661,000 spent on administrative expenses, of which not a dollar was reported as appropriated for that purpose. Several summaries of this item have been certified without verifying the report about which the publicity is written. The discrepancies do not seriously misrepresent the truth, but they show the need for checking wholesale as well as retail publicity. They also advertise the lack of checking in Rockefeller giving.

When as in 1914 the trustees tell the public that as a result of their efficient methods colleges generally are putting in "thoroughgoing" systems of bookkeeping, "complete" systems of vouchers, etc., no one verifies the claim. When eight years later they characterize present business methods as reprehensibly inadequate they are unaware of either denying former claims or of uttering present criticism without evidence.

15—See Chapter 71

ROCKEFELLER FOUNDATION STEWARDSHIP

Funds for a school of hygiene were given to Johns Hopkins University. The gift was widely advertised as answering a wartime urgent need. Improved opportunities for training in preventive medicine and public health work were to be created.

Neither in publicity matter nor in the annual report is any reason given for locating it at Baltimore.

The statement was made that there had been no school in this country prepared to give adequate public health training, yet at the time there were a number of schools already under way for training in public health, notably Harvard and Michigan.

This is another case where money was given to a strong central institution which had several alumni on the Rockefeller board and among its officers. The same money spent in Yale, Harvard, Pennsylvania, Leland Stanford, Michigan or New York would have accomplished the same result. If spent for a less famous school, Johns Hopkins would have been compelled by competition to match the standard.

Death and Vitality Rates

If Rockefeller's huge gifts for medical education and for the curbing of transmissible diseases had been made as the result of study by himself, it would be easy to trace this interest to his father's quack medical practice and to the early imaginings of a small country boy about the checking of disease. It is known, however, that very little of Rockefeller's attention was given to any of these plans. It certainly was not expected when the Rockefeller Foundation was launched, and when reasons for it were being urged upon congress, that its millions would be spent so largely upon the elimination of diseases like hookworm and malaria and upon medical education. Yet of all his works probably none has interested him as the possibilities of helping countries conquer disease. No proposition was more welcome at Rockefeller's private office, long before the Foundation was started, than a proposition for teaching individuals and communities how to save human life and reduce sickness.

In 1906 funds were voted for an experiment in the very heart of New York City in showing mothers how to save their own babies in their own city homes with the milk they themselves could buy and with the water and receptacles they themselves could use at home. A tent camp was erected near the East River at 65th street. Babies were saved. Mothers were instructed. A strong impetus was given to the nationwide fight for baby lives. Before that, Rockefeller gave $125,000 toward $250,000 for a seaside home for children suffering from non-pulmonary tuberculosis and "Little Joe's Smile" on 24,000,000 pages of magazine advertising told the Rockefeller offer.

Once I was asked to come to the Rockefeller office by his counsel and member of two foundation boards. His first question was: "You have been talking a great deal about 100% philanthropy. Do you really believe that there is some way of combining private effort with public effort in New York City so that a 100% job might be done in preventing distress and in checking so-called preventable diseases?" My answer was an emphatic assurance that I believed a short test would prove it. I was then asked to file a brief indicating the scope and method of a program which would accomplish this 100% result. No use was made of that brief, but the work of the Rockefeller Foundation against three

world scourges—hookworm, malaria and yellow fever—shows a 100% goal.

How Its Studies Are Reported

In the report (for 1926) it is not stated that the total available for studies was almost $1,300,000. Instead, an actual disbursement of $911,000 is given, a difference of $389,000 or more than one-third. In the president's own detailed explanation, it is impossible to locate the $911,000 spent on studies. In his editorial comment there is no mention of the division of studies, although it is possible to trace some of the comment to this work but not with any certainty.

Five different fields of study are shown, although with few exceptions there is no light thrown upon what the studies are expected to produce or have produced. The five fields are dispensary development; nursing education; hospital studies and demonstrations; biology, physics and chemistry; mental hygiene; besides help for several medical associations.

Examination of the amounts given shows the same tendency to fight conflagrations with atomizers which characterizes many of the Rockefeller education board's grants. There is a holdover study of nurses' training, $12,000; a survey of negro nursing education in the United States, $1,000; special studies in nursing education, $1,000; study of maternity care in England, $5,000; fellowships in mental hygiene, $5,000; studies in the application of mental hygiene to school children, $7,500; studies of aborigines in Australia, $3,500.

With all the needs that are urged upon this great foundation, it has $52,000 for the richest local aggregation of physicians in the universe, the New York Academy of Medicine. Nor is it clear that it is good for the morale of the American Medical Association to be helped out of a self-created hole for publishing a Spanish edition of its journal at a loss of $15,000.

Typical Defects of Rockefeller Reporting

The division of studies in reporting about its own work does not say that it had $1,300,000 to spend and carried over an unexpended balance of $389,000.

All told, it gives 6½ pages of twelve point type, a total of 176 lines and just a little more than 1,000 words.

It says careful surveys of nursing education have been made in twelve countries and help given toward training leaders, but it does

not mention the countries, the number of leaders, the number of nurses studied or nurses' schools.

It describes in half a page the way two schools in Poland and Jugoslavia plan to train for hospital or private duty in sick care and in private health work. How this differs or what the special contribution is the report does not tell.

It says that in nursing education the Foundation is not committed to any particular type of school or theory of education. It gives no information by which one type may benefit from the work of another.

A paragraph is given to what it calls an interesting experiment at Yale. Just what the "distinctly educational program" is which will take twenty-eight months it does not tell. This is interesting at a time when the students of nursing in our country, including several who are themselves receiving Rockefeller donations, believe that twenty-eight months is altogether too long. There is not a word to indicate that anything is being done in this Yale experiment which is not being done in a dozen other places, yet $61,250 was made available for it.

Readers are told that twenty-three fellowships were given in 1926 (at a cost which is not clear in the financial statement and is not given in the editorial matter); there is not a word to indicate what the qualifications were. Except that the Foundation gives money and coöperates with influential schools and public officers, there is not a syllable to indicate a contribution; there is not even evidence that the work would not be done without its help.

A page is given to hospital and dispensary studies without a word to prove service there or to prove need, except that under the heading of demonstrations of modern standards it is clearly implied that there is a very important lesson to tell. What the lesson is the public is not told.

Eleven lines are given to an experiment with a "pay clinic" where fees from $1.50 to $10 are charged. Beyond stating that the fees amounted to about $240,000 and paid "something" to physicians there is not a word there. Yet it is highly probable that a few hundred dollars spent in circulating and recirculating—or for that matter in even telling once so that others could circulate it and so that it could be circulated in its own official report—would accomplish more than several million dollars spent on merely paying for experiments in one clinic.

We are told that $200,000 was given to continue fellowships administered by the National Research Council in the field of human biology. The real sum available was considerably over $250,000. Not a word as to what those fellows are looking for or what they are finding.

A "small sum," not specified in the editorial but reported in the financial statement as $7,500, was voted for a Canadian study of mental hygiene as applied to school children. That there was anything in this study that hasn't been done over and over again in American schools, and public schools too, was not stated.

Of two appropriations the director of this division says that support was pledged for respectively ten years and five years, yet in each case the financial statement indicates no appropriation beyond the current year and reports the exhaustion of funds appropriated for the current year.

Typical of opportunity to help and of the Foundation's rejection of help is this statement:

> "The general officers of the Foundation and the director of the division of studies have given careful thought to opportunities that may lie before the Foundation in fields included in a strict definition of medical education and public health."

An invitation at that point for helpful suggestions and a promise to list them publicly, even if not studied, would have brought more information and inspired more investigation than all the funds accounted for in this report. It is notable that while looking for and giving serious thought to opportunities, the president of the Foundation has clearly seen the dangers that the rural districts of the country will soon be without physicians, yet there is not a dollar accounted for as having been spent studying this great menace and great opportunity.

16—See Chapter 79

25 TYPICAL QUESTIONS FOR ROCKEFELLER RESEARCH TO ANSWER

1. *Is it true that in 1902 to 1906 the poverty and agricultural inefficiency of the south were such that Rockefeller's education board "could render no substantial educational service to the south until the farmers of the south could provide themselves with larger incomes?"*

This question is suggested first because it provokes no con-

troversy and no bitter personalities. It is not a dead question but a very live one that symbolizes a perpetual but ever changing problem, namely—Given backward economic conditions can nothing worth while be done until after income is increased?

It is possible that a thorough study of this problem as it confronted the Rockefeller board in 1906 will show that at least one southern state, perhaps every one, receiving Rockefeller money, was able all the time to save out of current waste in taxes—or to raise out of equalizing assessments upward toward true values—more than its share of $103,000 a year which the Rockefeller board spent in six southern states.

Perhaps research will show that the south lost several years of impetus toward worthwhile public schools because it was not told in 1902 and 1903 what the Rockefeller board learned about the insufficiencies of its schools. Perhaps the southern schools made enormous strides between 1902 and 1906 when Rockefeller money was given for farm demonstrations; or perhaps states which had fewest farm demonstrations made greatest educational progress.

Perhaps the Rockefeller board is historically wrong in saying that southern schools could not have been used to bring about the reëducation of farmers the way it claims boys' and girls' clubs educated adults.

Perhaps the federal and state money that was being spent by agricultural experiment stations could have been made to go vastly farther and to inspire even more than the privately supported farm demonstrations did.

Important history is incomplete until such perhapses have been studied.

2. *What have Rockefeller's grandchildren been taught about themselves that they should show resentment of appeals by such remarks as the widely telegraphed evidence of Rockefeller simplicity:* "They must think we're the Vanderbilts." It is of vital consequence to society whether Rockefeller's family knows that its wealth puts Vanderbilt wealth in "poverty row."

3. *Did the idea of the South Improvement Company indirectly originate with Rockefeller?* Where is the call to that meeting? Is there no one living who knows who first suggested it? What combinations or pools among oil men had there been prior to this plan? What did Rockefeller contribute to it? Was there ever a serious plan to include the oil producers?

4. *What has become of Rockefeller's personal secretaries?* What

important history can they give? Did he write to lobbyists or legislators? Is there nothing in their files to show impressions of him or instructions by him? Don't some of them know if he worked personally with legislators or presidents' representatives? Were our foreign ministers and consuls his beneficiaries financially? He says they helped him win foreign markets.

5. *Where are the various tutors and servants?* Are stories to be gotten from them? Is it true that Rockefeller had private detectives always before and behind him? If so, at what period did this stop?

6. *Are there no caddies who have first-hand stories?*

7. *What trade did Rockefeller open up?* How much exportation was there of oil prior to 1872 and into how many countries had it penetrated?

8. *What has been done with Dr. Gates' letter files,* including copies of memoranda sent to Rockefeller about Minnesota iron mines?

9. *Who were the friends who received Rockefeller help amounting to nearly five million dollars during the panic of 1893?* What total amounts were requested? What did the help cost them finally?

10. *What bank balance and what liquid funds did he have during the panic of 1893 when others lost their iron to him?* What was his financial and what his political strength at the outset of the 1873 panic?

11. *How many and which of the lawyers, statesmen, educators and social workers of the country were at different times on Rockefeller's payroll without the public's knowing it?* In 1929 the country is shocked by clandestine work for the Power Trust. Rockefeller himself tells how a religious body's secretary did gum-shoe work for him.

12. *How many of the articles purporting to be free lance articles or independent stories in books about Rockefeller have been either inspired by the Rockefeller propaganda, subsidized in advance or subsidized afterwards?*

13. *At what time did Rockefeller delegate all details respecting different lines of his oil business* as he said he delegated all the responsibility for the iron mines to Dr. Gates?

14. *Who has made the final compilation for Rockefeller income taxes?* What checking has the government done? What steps have been taken in Washington and New York State to prevent

clerks from learning and disclosing the total of Rockefeller's income and its taxable sources?

15. *How far was the desire to be understood by the public a motive for Rockefeller's large giving* and how far were the particular times of the giving due to the exigencies of his reputation, for example: Was the $32,000,000 gift of 1907 or the proposal to start a Rockefeller foundation in 1911 inspired by desire to influence the public attitude toward the government suit against him?

16. *How far were his large gifts just after the World War due to the enormous surtaxes* and to inability to shift investments rapidly enough to concentrate on non-taxable sources?

17. *How can a record be obtained of the innumerable transfers which led to Rockefeller's having an income tax of only $1,480,000 in 1925?*

18. *What evidence is there of influence upon educational programs, practice and personnel of colleges* because of Rockefeller giving?

19. *How unwillingly did others give* to earn Rockefeller conditional gifts?

20. *Is it true that Rockefeller agents tried to prevent instruction of farmers in the restriction of crops* by the United States department of agriculture?

21. *What evidence is there that colleges for many years chose presidents with an eye to Rockefeller giving* and *how did colleges fare which did not receive Rockefeller funds?*

22. *What total of taxes has Rockefeller dodged?* Did he or his agents work against increased federal taxes or against taxation of Minnesota iron ore?

23. *What was the total Rockefeller fortune?* What is it now?

24. *Has Rockefeller's example increased or decreased others' voluntary giving?*

25. *What fact base is there for the fear of business in 1929 that even printing this book, for example, might bring Rockefeller submarine attacks or that publishing this book might lose an international publisher his banking connections?*

THE END

INDEX

A

Abbott, Dr. Lyman, 355
Accounting, *see* Business
Acknowledgment, R aid, v
Agar, John G., 446
Agriculture, 370 *ff.*, 414, 415, 612
Alderman, Edwin A., 413
American Bankers Assoc., 162, 498, 575
Armitage, Rev. Thos. W., 259
Anthony, Susan B., 344
Appealing, untaught, 437, 445, 471, 474
Archbold, John D., 20, 30, 132, 191, 208, 227, 239, 255, 582, 584
Arnett, Trevor, 398, 597, 600
Arthur, President, 41
Assessments, too low, 281
Associates, 254
Auburn *Daily Advertiser,* 60, 84
Audit, outside, 439, 450

B

Backus case, 135, 239, 566, 567, 568, 585, 586, 587, 588
Balance forward, R's, 155 *ff.*
Bankers' courses, 161, 498, 575
Baptist Educ. Society, 165
Beard, Chas. A.—Mary Ritter, 18, 29, 427
Begging letters, 454, 509
Bell, Alex. Graham, 263, 554
Benevolent trust, 475
Berger, Henry, 269
Big business, 267, 487, 496, 550, 559
Biggar, Dr. H. F., 64, 485
Biographies, 16, 17, 19, 20, 24, 34, 235, 261, 557
Birthday publicity, 118, 289, 302 *ff.*
Birthplace, 11, 66, 71, 118, 289, 302 *ff.*
Bliss, Col. George, 145-151, 574
Bok, Edward W., 204
Boll weevil, 375
Bolton, Mrs. S. K., 17, 558
Bookkeeping, 6, 89, 98, 106, 113, 176, 181, 398
Boosters, R, 313 *ff.*
Boyhood, 22, 410, Chap. III
"Breaking Up of the Trust, The," 29
Brisbane, Editor, 9, 322, 334, 492
Brittain, Dr. Horace L., 429
Brown, Marcus Monroe, 17, 557
Bruere, Henry, 433
Bryanism, 25, 40
Buchanan, President, 42
Buckeye Pipeline Co., 587
Buckner, Emory R., 508
Burbank, Luther, 50, 242, 554
Burns, John, 271
Burroughs, John, 237
Burton, William E., 157
Business methods, 18, 21, 31 *ff.*, 34, 35, 40, 41, 48, 113, 114 *ff.*, 125 *ff.*, 135, 141, 160, 178, 181, 190 *ff.*, 239, 398, 550, 575, 608
Bustard, R's pastor, 291
Butler, Benjamin F., 18, 207, 567
Buttrick, Wallace, 346, 361, 362, 390, 391, 507

C

California, 33, 43, 59
Capital, 331, 434, 452, 457
Carnegie, Andrew, 51, 107, 163, 265, 270, 272, 273, 346, 413, 468, 479, 495, 506, 507, 512, 519, 522, 531

Carrel, Dr. Alexis, 257
Cayuga County, 69
Characteristics, *see* text and Personality
Chicago, Univ. of, 49, 153, 317, 370
Choate, Joseph H., 34, 145, 182, 224, 264
Clark, M. B., 256
Clarke, J. I. C., 19, 20, 22, 23, 77, 158, 187
Classics, 419 *ff.*
Cleveland, O., 16, 17, 18, 19, 23, 41, 45, 53, 62, 64, 72, 76, 100, 101, 106, 109, 113
Cleveland *Plain Dealer,* 65
Cleveland Reminiscences, 81
Coburn, Charles R., 101, 260
Coffin, Charles A., 107, 242
Colleges, 357 *ff.,* 389, 398, 412, 417, 441, 554, 597, 600, *see* Foundations
Collier, Richard Gilbert, 559
Collier's Weekly, 187
Colorado strike, 46
Columbia University, 109
Combinations: Their Uses and Abuses, 34
Commerce, department of, 265
Community chest, 467, 475
Competition, 135, 137, 151, 153, 179, 185, 191, 197, 205, 208, 239, 323, 499, 572, 574, 586, *see* Business
Conditional gifts, 422
Coney Island, 71, 72
Congress, ix, 13, 30, 40, 41, 52, 117, 218, 266, 296, 301, 319, 366, 456, 437, 457, 468, 511, 551
Conspiracy indictment, 21, 41, 53, 138, 266, 293, 321, 322
Contemporaries, 263, 559
Coolidge, 39, 52, 263
Cooper, James Fenimore, 344
Cooper, Peter, 50, 345
Cornell, Ezra, 343
Corporations, bureau, 265, 561
Corrigan case, 580
Courts, 18, 28, 31 *ff.,* 36, 39, 40, 52, 168, 266, 295, 317, 319, 326, 427, 551, 553, 574, 575, 592
Cox, James M., 283
Credit Mobilière, 129
Criticism, *see* Eulogy
Curie, Madame, 242
Curse, Rockefeller, 11
Curtiss, Glenn M., 343
Cutting, R. Fulton, 424, 426, 433, 497

D

Dana, Charles L., 227
Dana, John Cotton, 507
Davidson, Joe, 15, 60, 230
Davis, John W., 446
Dawes, Chas. G., 385
Day, James R., 21, 38
Defenders, 30, *see* Eulogy
Dennen, Sarah S., 68-72
Depew, 50, 182, 243
De Witz, author, 560
Dickinson, Emily, 506
Dodd, S. C. T., 30, 35, 211, 255, 485
Dollar depreciation, 440
Douglas, Stephen A., 267
Drake, Col. Edwin L., 268
Drawbacks, *see* Rebates
Dreadful Decade, 41
Duluth, 16
Dynastic America, 9

E

Eastman, George, 387
Economic Research Service, Inc., 158
Edison, 50, 237, 242, 243, 554
Editorials of 1907, 589
Education, R's, 42, 100, 183, 242, 246, 253, 277
Efficiency, 160, 161, 190, 196, 332, 399, 403, 418, 435, 436, 450, 458, 464, 472, 480, 499, 504, 558, 578, 602
Eliot, Charles W., 50, 107, 242, 243, 413, 418, 455, 460, 461, 488, 489
Endowments, *see* Foundations
Enemies, 132
Espionage, 161, 165, 171, 184, 238, 321, 322, 582
Essays, R, 101
Eulogy, 16, 19, 21, 40, 153, 288, 307, 309, 314, 318, 399, 514, 578, 590, 593

F

Faith in oil, 187, 324
Fall, Albert B., 39
Famous Givers, 17
Farmer, A. N., 142, 143, 429
Farnam, Charles, M.A., 387
Fiddlestick, The, 93, 94
Fifty-Four Forty or Fight, 38
Fillmore, President, 42
Finger Lakes Topics, 69, 70, 71
Firestone, Harvey S., 237
First job, 42, 118, 172
Fisk, James, Jr., 206
Flagler, H. M., 19, 132, 134, 136, 137, 188, 260, 287, 485, 574
Flexner, Abraham, 362, 395, 403, 407, 424
Flexner, Dr. Simon, 257, 362, 395, 413, 424, 428
Forbes, B. C., 9, 559
Ford, Henry, 4, 44, 50, 51, 116, 133, 181, 203, 227, 231, 237-246, 269, 314, 322, 347, 495, 500, 559
Foreign competition, 151, 153, 198, 576
Forestry, 371, 388
Forgettery, 353, 571
Fortune, 9, 89, 115, 116, 157, 171, 306, 316
Fosdick, H. E., 49
Foundations, Rockefeller, ix, 5, 7, 11, 31, 52, 88, 109, 115, 117, 152, 156, 163, 184, 218, 231, 232, 244, 278, 285, 296, 301, 303, 308, 314, 318, 323, 331 *ff.*, 335, 352, 411, 431, 434, 439, 445, 450, 452, 456, 578 *ff.*, 588, 604, 608
Frasch, Hugo, 269
Frick, Henry C., 264, 270, 274
Friends, 237, 247, 255, 258

G

Gale, Zona, 469
Garfield, President, 41, 106, 267, 561
Gary, Elbert H., 243, 270, 273
Gas engine, 269
Gates, Rev. Frederick T., 9, 51, 109, 115, 164, 226, 256, 348, 361, 372, 413, 457, 468, 480, 485, 515, 568, 583, 611, vi
Gay, Prof. Edwin F., 158
Gaynor, Wm. J., 431
General Education Board, 20, 340, 342, *see* Foundations
George, Henry, 264
Gifts, 7, 10, 20, 40, 77, 487, 518
Gifts commission, interstate, xii, 518
Gilbert, Cass, 242
Gilder, Richard Watson, 273
Girard, 50
Gladden, Washington, 29, 352, 353, 354, 355
Golf, 22, 43, 221, 247, 252, 611
Goode, J. Paul, 387
Gould, 51, 206
Governmental research, x, xi, 318, 344, 424, 430, 450, 457, 484, 486, 497, 502, 514, 517, 542
Grant, 41, 42, 206
Gray, Earl, 234
Greene, Jerome D., 489

H

Hadley, Arthur T., 350
Handy, T. P., 255
Hanna, Mark, 101, 325, 568, 587
Harden, Maximilian, 560
Harding, President, 39
Harford Mills, 87, 92
Harkness, S. V., 19, 225, 260, 495, 512, 519, 522
Harlan, Joseph M., 33
Harper, William R., 259, 288
Harriman, E. H., 51, 264
Harriman, Mrs. E. H., 388, 430, 509, 510, 511
Harrison, President, 40, 43
Hart, Albert Bushnell, 427
Harvard University, 50, 158
Harvey, Col. George, 274
Hayes, President, 41
Health problems, 82, 303, 414, 451, 457
Hearst, *see* Brisbane
Hepburn, A. Barton, 18, 211, 460
Hewitt, *see* R's father
Hiawatha Island, 70
Hill, J. J., 51
Histories, 12, 24, 36, 155, 196, 498, 529, 554

History of Cleveland, 65
History of Standard Oil, 17
Hookworm, 445
Hoover, 38, 242, 385, 458
Hopkins, Johns, 346
Hovey, Carl, 264
Hubbard, Elbert, 291
Hughes, Charles E., 18, 31, 162, 163, 317, 385, 446, 592
Humor, 286 *ff.*
Hylan, John F., 284, 431

I

Illiteracy, *see* Moonlight schools
Industrial relations, 13, 39, 243, 334, 366
Ingersoll, Robert G., 344
Inglis, W. O., v, xii, 69
Interstate commerce commission, 40, 151, 152, 186, 562
Investigations, legislative, 117, 123, 128, 132, 141, 143, 146, 150, 151, 211, 561, 570
Iron fortune, 40, 51, 115, 163, 317, 568

J

Jackson, Andrew, 263
Jacobi, Dr. Abram, 388
Jeanes, Anna T., 476
Jenks, Jeremiah W., 427
Joerns, W. G., 557
Johnson, Andrew, 42
Jones, Mark M., 476, 495

K

Kelley, Fred C., 19, 187
Klein, Henry H., 9
Knapp, S. A., 308, 375, 376-377-378

L

Lake Owasco, 59, 69, 70, 77
Lamar, Joseph R., 33
Lamont, Thomas W., 158
Landlady, 174, 287
Landscape beauty, 22, 37, 288
Laughlin, J. Laurence, 158, 570
Lee, Ivy, v, 313, *see* Publicity
Leupp, Francis E., 264
Levingston, *see* R father
Libel, 432
Life, Mrs. Susan, 91
Lincoln, 42, 57, 109, 263, 267, 268
Lindbergh, 3, 229
Lloyd, Henry Demarest, 17, 24, 25, 26, 27, 28, 30, 31, 52, 125, 128, 153, 186, 586, 587
Luck, 125, 189
Ludwig, 58, 221
Lurton, Horace H., 33

M

Marconi, 554
Mather, Samuel, 256
McClellan, Geo. B., 431
McCormick, Mrs. Harold, 241
McKenna, Joseph, 33
McMaster, J. B., 269
Medical schools, 382, 445
Mergers, 496, *see* topics
Merritt Brothers, 16, 164, 166, 167, 168, 169, 170, 171, 568, 580
Metz, H. A., 431
Miss. flood, 440, 458
Mitchel, John Purroy, 431
Mitchell, Wesley C., 158
Morawetz, Victor, 425
Monro, Dana C., 386
Montague, Gilbert Holland, 18, 208
Moonlight schools, 363
Moraira, 61, 69, 71
Morgan, J. P., 51, 107, 115, 158, 257, 264, 274, 577
Morse, S. F. B., 45, 263, 554
Municipal research, *see* Gov't'l
Munsey, Frank A., 301
Murphy, Charles F., 429
Murphy, J. J., 548, 552
Murphy, Starr J., 29, 256
Muscle Shoals, 13
Mussolini, 47
Myers, Gustavus, 560
Myths, xi, 321 *ff.*

N

National Magazine, 101
Negroes aided, 371, 443

Neighbors, 18
Nepotism, 446
New York, 12, 17, 18, 19, 33, 41, 44, 45, 52, 58, 65, 70, 80, 81, 95, 425
New York World, 82, 86, 87, 95, 187, 554
Numerica, 222, 275

O

O'Day, Daniel, 241, 255
Ogden, Robert C., 346
Ohio, 33, 40, 52, 70
Oil, 7, 24, 26, 38, 41, 42, 46, 51, 72, 113, 179, 187, 190, 206, 268, 549, 563, 575, *see* topics
Oil City Derrick, 30
Oil City, Penn., 16
Orton, B. E., 269
O'Shea, M. V., 552
Ostracize malefactors, 350, 597
Outline of History, 553
Outlook, 29
Owego, 59, 60, 63, 69, 80, 90, 91, 101

P

Page, Walter H., 242, 264, 321, 413
Parma, O., 70
Partners, 19, 30, 132, 135, 188, 334, 497
Parton, James, 264
Peabody, George, 50, 345
Pennsylvania Co., 129
Personality, xi, 15, 16, 18, 51, 62, 119, 144, 157, 170, 178, 221, 260, 270, 304, 312, 315, 320, 321, 325, 486, 558, 559, 563, 578, 612
Phenix, 131
Pierce, President, 42
Pipe lines, 161, *see* Oil
Politics, 38, 406, 460, 578
Polk, President, 38, 43
Pratt, Chas. M., 135, 208, 255, 346
Pritchett, Henry S., 362
Prohibition, 41, 48, 63, 67, 233, 246
Prouty, Rev. Charles A., 354, 355
Pryor, Roger A., 143, 145, 152
Publicity, vi, ix, x, 19, 37, 74, 125, 143, 172, 225, 278, 289, 296, 298 *ff.*, 302 *ff.*, 310, 318, 327, 331, 334, 364, 410, 421, 430, 432, 444, 460, 466, 470, 472, 485, 491, 504, 508, 512, 565, 588

Q

Questioners, 142 *ff.*, 365, 488, 561, 570

R

Raid on Prosperity, 20
Railroad favors, 41, 42, 44, 125, 134, 138, 149, 151, 179, 186, 208, 210, 241, 319, 562, 575
Ralph, Julian, 558
Random Reminiscences of Men and Events, 17, 23
Read, Opie, 405
Rebates, 21, 32, 41, 50, 126, 128, 150, 160, 179, 208, 210, 212, 225, 241, 288, 319, 573, 574, 580, 581
Records, 147, 150 *ff.*
Reid, Dr. Walter, 545
Religion, 62, 135, 144, 165, 247, 248, 325, 352
Reports, annual, 369, 406, 437, 448, 456, 466, 604
Report suppressed, 406
Research, 36, 269, 323, 384, 394, 457, 470, 529, 568, 609
Retirement, xii, 204, 276, 317, 530
Rice, George, 151, 186, 239, 321, 573
Richford, 92, 100
Ripley, W. Z., 394
Rise of American Civilization, 18
Rise and Progress of the Standard Oil Company, 18
Rivals in giving, 342 *ff.*
Roberts, H. M., 343
Rockefeller, *see* topics
Rockefeller in Education and Religion, 17
Rockefeller Foundation, *see* Foundations
Rockefeller Tales, 19

Rockefeller's birthplace, xi, 69, 71-72, 226, 230
Rockefeller's family, viii, 8, 10, 20, 39, 46, 51, 64 *ff.*, 66, 87, 234, 268, 275, 340, 361, 426, 445, 454, 465, 468, 489, 504, 553, 610
Rockefeller's father, 48, 60, 65, 66, 75, 77 *ff.*, 96 *ff.*, 99, 174, 321
Rockefeller-Era Museums, 71
Rockefeller Highway, 69
Rockefeller's mother, 43, 64, 79, Chap. 14, 173, 177, 287, 483, xi
Rogers, H. H., 132, 135, 208, 239, 255
Rogers, Will, 458, 582, 584
Roosevelt, 24, 25, 40, 265, 463, 561
Root, Elihu, 50, 182, 243
Rose, Wyckliffe, 363
Rosenwald, Julius, 446, 476
Rural schools, 71, 73, 401, 410, 415, 495

S

Sage, Mrs. Russell, 321, 509
Salamander, 131
Sargent, 16
Scapegoat, not, 320
Scofield, W. C., 239
Scott, Thomas, 129
Schiff, Jacob H., 497
Schurman, Jacob H., 455
Scudder, Vida, 356
Scull, President, 267
Seager, Henry R., 427
Secrecy, 21, 137, 145, 179, 237, 239, 424, 484, 611
See, A. B., 243
Seitz, Don C., 205-207
Self-analysis, 122, 123, 183, 192, 196, 235, 251, 272, 309
Seligman, E. R. A., 429
Shaw, Anna Howard, 242, 413, 425
Simmons, Jim, 405
Sinclair, Harry F., 38
Slater Fund, 476
Smith, Alfred E., 211
Smith, Goldwin, 264
Smyth, Rev. Wm., 101, 260
Social changes, 43
Sources of income, 460
South Improvement Company, 29, 30, 41, 53, 126, 130, 131, 133, 135, 145, 146, 147, 148, 149, 150, 160, 179, 185, 190, 217, 320, 364, 564, 566, 567
Spellman Memorial, Laura, 340
Standard Oil of Indiana, vii, 38
Standard Oil Trust, 41, 113 *ff.*, 144, 266, 297, 553, *see* R, Business methods
Stanton, Elizabeth Cady, 344
Sterne, Simon, 151
Stewart, Cora Wilson, 363
Stewart, Robert W., vii, 38, 281, 461
Stocking, G. W., 18, 159, 160, 161
Stokes, E. S., 206, 413
Strikes, 196
Strongville, O., 70
Supreme court, *see* Courts
Sutherland, Harvey, 558
Symbol, 7, 482 *ff.*

T

Taft, Wm. H., 32, 40, 163, 320
Tarbell, Ida, 17, 19, 24, 25, 28, 29, 30, 31, 52, 64, 79, 80, 83, 86, 96, 125, 153, 185, 186, 190, 193, 194, 208, 225, 231, 239, 352, 514, 563, 566, 582, 587
Tax payer, 7, 278, 284, 348, 373, 522, 612
Taylor, John G., 354
Taylor, J. M., 257
Taylor, Zachary, 43
Teachers, 12, 316, 345, 366, 372, 381, 395, 397, 408, 410, 436, 441
Teachers College, 109, 403
Teapot Dome scandal, ix, 38, 39, 140, 146
Thompson, Manfred, 576
Thrift, 194, 224, 326
Tioga County, N. Y., 69, 92
Traduction, 427
Trust, *see* Business methods
Trustees, 434, 446, 450, 507, 603, *see* topics
Tuition, full-cost, 441, 601
Tweed, Boss, 207, 209

V

Vanarsdales, 84
Van Buren, Martin, 92, 263
Van Devanter, Willis, 33
Vanderbilt, Commodore, 51, 128, 141, 210
Vanderlip, Frank A., 429
Vincent, George E., 413, 466

W

Walker, Mayor Jas. J., 431
Walsh, Frank P., 18, 152
Watkins Glen, 58
Wealth vs. Commonwealth, 17, 25, 26
Webster, Daniel, 263, 343
Wells, H. G., 554
Western Reserve Historical Library, 16
White, Andrew D., 264, 343
White, Chief Justice, 18, 31, 33, 163, 326
White, Emerson E., 74
White, Wm. Allen, 303, 363, 446
Wickersham, George W., 18, 32, 320, 425
Wildman, author, 560
Williams, J. B., 269
Willis, H. Parker, 596
Wilson, President, 39, 170, 278, 452, 583
Witt, Stillman, 255
Wood, Jethrow, 343

Y

Yellow fever, *see* Foundations
Young, Owen D., 385, 469, 538
Youngman, Anna, 570

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Mar 21 '38			
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